Also, a bill (H. R. 7277) for the relief of John Cummings; to the Committee on Military Affairs.

By Mr. HULINGS: A bill (H. R. 7278) granting an increase of pension to Alma A. Shephard; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 7279) to place the name of ex-Maj. Joshua R. Hayes upon the unlimited retired list of the Army; to the Committee on Military Affairs.

By Mr. PROUTY: A bill (H. R. 7280) granting an increase of pension to Joseph M. Johnston; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 7281) granting a pension to Henry Sprick; to the Committee on Pensions.

Also, a bill (H. R. 7282) for the relief of the estate of Samuel Very, jr.; to the Committee on the Library.

By Mr. ROGERS: A bill (H. R. 7283) granting a pension to Cassie L. Lowden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7284) granting a pension to Maria M. Goodrich (Emery); to the Committee on Invalid Pensions.

Also, a bill (H. R. 7285) granting a pension to Sarah B. H. Sawyer; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 7286) for the relief of J. Will Morton and the estate of Clarissa H. Morton, deceased; to the Committee on War Claims.

By Mr. REILLY of Connecticut: A bill (H. R. 7287) for the relief of Edward A. Thompson; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Society of Tammany or Columbian Order, relative to the needs of the American Navy; to the Committee on Naval Affairs.

By Mr. CLARK of Florida: Petition of sundry merchants of the State of Florida, asking for certain amendments to the interstate-commerce law; to the Committee on Interstate and Foreign Commerce.

By Mr. CLINE: Petition of Ligonier Union of the Woman's Christian Temperance Union, of Ligonier, Ind., favoring an amendment to the Constitution providing for woman suffrage; to the Committee on the Judiciary.

Also, petitions of sundry business men of the State of Indiana, favoring a change in interstate-commerce law which will permit mail-order concerns to be taxed for the benefit of localities where they get their business; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE: Petition of the National Association of Hosiery and Underwear Manufacturers, relative to the cost of production and marketable price of a commodity; to the Committee on Ways and Means.

Also, petition of the Society of Tammany or Columbian Order, relative to the needs of the American Navy; to the Committee on Naval Affairs.

Also, petition of the Society of Automobile Engineers of New York City, protesting against the passage of any bills changing the patent laws; to the Committee on Patents.

By Mr. DILLON: Petition of the South Dakota Bankers' Association, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

By Mr. DYER: Petition of the Society of Tammany or Columbian Order, relative to the needs of the American Navy; to the Committee on Naval Affairs.

Also, petition of the North Carolina Pine Association, of Norfolk, Va., favoring the retention of the Commerce Court; to the Committee on the Judiciary.

Also, petition of the National Association of Hosiery and Underwear Manufacturers, relative to the cost of production and marketable price of a commodity; to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: Petition of the Inventors' Guild, favoring the appointment of a commission and opposed to the Oldfield bill; to the Committee on Patents.

Also, petition of the Maryland Life Insurance Co., of Baltimore, Md., and the Pioneer Life Insurance Co., of Fargo, N. Dak., protesting against mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

By Mr. LA FOLLETTE: Petition of sundry citizens of Skagit County, Wash., favoring the dredging of Edison Slough; to the Committee on Rivers and Harbors.

By Mr. LEVY: Petitions of the Pioneer Life Insurance Co., of Fargo, N. Dak., and the Maryland Life Insurance Co., of Baltimore, Md., protesting against mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the Pennsylvania Society, of New York City, protesting against the proposed duty on books in foreign languages; to the Committee on Ways and Means.

By Mr. PROUTY: Petitions of sundry citizens of Indianola and Winterset, Iowa, favoring certain changes in the interstate-commerce laws; to the Committee on Interstate and Foreign Commerce.

By Mr. REILLY of Connecticut: Petitions of sundry citizens of the State of Connecticut, asking the right to be allowed to vote on the amendment giving the right to women to vote; to the Committee on the Judiciary.

Also, petition of sundry citizens of Connecticut, protesting against woman suffrage; to the Committee on the Judiciary.

Also, petition of the Federation of the German Roman Catholic Society of Connecticut, protesting against the duty on German books proposed by the tariff bill; to the Committee on Ways and Means.

Also, petition of the National German-American Alliance, of Philadelphia, Pa., protesting against the proposed duty on German books; to the Committee on Ways and Means.

By Mr. SCULLY: Petiton of the Order of Railway Conductors of America at Cedar Rapids, Iowa, protesting against a workmen's compensation law; to the Committee on Labor.

By Mr. WILLIS: Petition of the National German-American Alliance, protesting against the levying of customs duties on the importation of German books; to the Committee on Ways and Means.

Also, petition of the McKinley Club, of Canton, Ohio, protesting against the order of the Postmaster General for the removal of the portrait of William McKinley from the United States postal cards; to the Committee on the Post Office and Post Roads.

# SENATE.

## SATURDAY, *August 2, 1913.*

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

The Journal of yesterday's proceedings was read and approved.

### COLLECTION OF INCOME TAX.

Mr. WORKS. Mr. President, I have here a telegram which I ask to have read and referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, the Secretary will read the telegram.

The Secretary read as follows:

[Telegram.]

LOS ANGELES, CAL., *August 1, 1913.*

Senator JOHN D. WORKS,
*United States Senate, Washington, D. C.:*

The Municipal League of Los Angeles, of 600 representative taxpayers and citizens, protests against the provision in the income-tax act whereby all the inspectors, agents, collectors, etc., employed in that work are to be exempt from civil service and are under the old spoils system. This is the most serious attack on the efficiency of public service made in recent years, and we are at a loss to understand how it can be contemplated by an administration pledged to progressive modern government. Will you please present this protest to Senate Committee on Finance.

FRANK SIMPSON, *President.*
H. S. RYERSON, *Acting Secretary.*

Mr. SIMMONS. Mr. President, I simply wish to say with reference to the telegram that the provision, as I now remember it, is almost entirely an exact copy of the provision dealing with the same subject in the denatured-alcohol act passed only a few years ago.

Mr. WORKS. Does the chairman of the committee understand that it has the effect stated in the telegram to take these employees out of the civil service?

Mr. SIMMONS. I simply wish to make the statement that it was taken from the denatured-alcohol act. As that act does, it provides that certain employees may be appointed for two years without reference to the rules of the civil-service law.

The VICE PRESIDENT. The telegram will be referred to the Committee on Finance.

### PERSONAL EXPLANATION—PARCEL POST.

Mr. BRYAN. Mr. President, I rise to a question of personal privilege, and ask to have read at the Secretary's desk a letter which I have just received.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

THE FARMINGTON TIMES-HUSTLER,
*Farmington, N. Mex., July 26, 1913.*

Hon. NATHAN P. BRYAN,
*United States Senate, Washington, D. C.*

DEAR SIR: I have just been reading in the papers reports of your efforts to cripple the parcel post. I would like to inquire of you in whose interest you are working. You are supposed to represent the

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

people of Florida directly and the people of the United States indirectly. Do you believe that in increasing the efficiency of the parcel post an injury is being done the whole people? If not, then are you truly representing those you are paid your salary to do?

You call yourself a Democrat, and so do I. My idea of Democracy is to have the Government do that which will be of greatest benefit to the greatest number, having a care, of course, not to encroach on the ethical rights of the minority in so doing. The parcel post is doing this very thing, and we of "the common herd" clearly understand and feel this, and we will hold to strict accountability any representative of ours who attempts to injure us in the interest of the express companies, which have robbed us so unmercifully in the past. We know that the escape from express robbery lies through the extension of the parcel post to the 100-pound limit, just as Postmaster General Burleson suggests, and we further know that the Congressman or Senator who opposes this, whatever his pretext, is working for special interests and not the public good.

THOMAS WM. BUTLER.

Mr. BRYAN. Mr. President, I also send to the desk and ask to have read a clipping from the De Land News, a newspaper in my State, under date of July 30.

The Secretary read as follows:

[From the De Land News, July 30, 1913.]

The News does not doubt the patriotism or the sincerity of Senator NATHAN P. BRYAN, of Florida, but if Senator BRYAN had ever had much experience with express companies and rates we doubt if he would have introduced his resolution in the Senate to prevent the Postmaster General from enlarging the service of the parcel post. Senator BRYAN, who uses postal franks like all Members of the Senate, probably does not know that the express companies are now "real good" in comparison to their acts before the passage of the parcel-post law. The News hopes that the parcel post will be enlarged from time to time so that it will soon be doing all the business now handled by the express companies; that there will eventually be only two classes of freight traffic—parcel post and actual freight. The express traffic has been only a wart on the hand of business. It was inaugurated to give the transportation lines a chance to charge a little more for the service for which they were supposed to be organized. Senator BRYAN is probably hearing from his constituents by this time.

Mr. BRYAN. Mr. President, both the letter and the clipping from the paper evidently refer to some item sent out by the Associated Press or some other press association. I did not see the article that went out, but the letter is a fair sample of some I am receiving.

Of course, the newspaper is mistaken if it supposes that Senators can send parcel-post packages under the franking privilege.

Mr. President, I had never thought that it would fall to my lot to rise to a question of personal privilege. It so happens, however, that the action I have taken with reference to a certain paragraph in the Post Office appropriation act of August 24, 1912, has been referred to, and that the Postmaster General, assuming to act under the authority of that act of Congress, has made certain changes in the weight limit and the rates of postage.

Mr. President, I was opposed to the insertion in the Post Office appropriation bill of the paragraph under which the Postmaster General undertakes to make these changes. That paragraph was not written into the law by either House of Congress; it was inserted by the conferees. I think no man can read it without coming to the conclusion that it was drawn without much deliberation, because the language is so involved that it would hardly be fair to say that the conferees with much time would have made so important a change and expressed that change in language so clumsy. That language is as follows:

The classification of articles mailable, as well as the weight limit, the rates of postage, zone or zones, and other conditions of mailability under this act, if the Postmaster General shall find on experience that they, or any of them, are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is hereby authorized, subject to the consent of the Interstate Commerce Commission after investigation, to reform from time to time such classification, weight limit, rates, zone or zones, or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof.

During the same Congress I introduced a bill to repeal that provision. It goes without saying that I did so without reference to who the new Postmaster General would be, because the bill was introduced before that fact was known even to the present Postmaster General himself. It expressed my idea that the place for legislation is in the legislative branch of Congress, and that I was unwilling to turn over to a single individual the great rate-making power assigned to him by this provision.

At the beginning of the present session of Congress I reintroduced the bill. Of course, Senators understand that our attention has been devoted almost exclusively to tariff legislation. Again, it was urged that no change would be made; that the Postmaster General could only act "on experience," and that the parcel post had been in operation only since the 1st of January. It was also urged that he could only make the change with the consent of the Interstate Commerce Commission, and that the Interstate Commerce Commission could only give its consent after it had made an investigation. It was further supposed that the Interstate Commerce Commission could not very well reduce the postal rates and leave the express rates where they are.

But, Mr. President, all those things have taken place. Congress in the same identical bill which enlarged the parcel post provided for a joint committee of the two Houses to further consider the question of the parcel post and ascertain whether or not it could be enlarged and extended. The chairman of that committee is the Senator from Kansas [Mr. BRISTOW]. Another member is the junior Senator from Michigan [Mr. TOWNSEND], and I have had the honor to serve as the other member of the committee on the part of the Senate.

On the 6th of March last the chairman of the committee wrote a letter to our own department, and he wrote a letter to be presented to the principal countries of the earth which have a parcel post. He heard from all the other countries, but had received no reply to his letter from the Postmaster General of his own country, within half a mile of the office of the joint commission, until after the order making the changes had been issued by him.

So, Mr. President, it was hardly to be supposed that a change would be made without communicating with the committee; or to state it in another way, if the Postmaster General could not give the information asked for by the committee he would hardly be in a position to make a change in the rate and in the weight limit.

I wish to be fair to the Postmaster General and to say that he stated before the Committee on Post Offices and Post Roads that the information asked for was hard to obtain, and it would be given to us the day after the order was issued; and it was.

That may be so, Mr. President. I can easily understand that a new man taking charge of a great department has many things to contend with; but the joint committee to consider the reduction of railway mail pay has been working continuously in an effort to make it possible to lower rates and to put them, if possible, on a self-sustaining basis. The chairman of the joint committee was the former chairman of the Committee on Post Offices and Post Roads, former Senator Bourne, who had devoted a whole year to the study of the parcel-post system before these rates were put into effect by Congress. He heard nothing from either the Postmaster General or the Interstate Commerce Commission. The bill I introduced to repeal this section was referred by the Committee on Post Offices and Post Roads of the Senate to the Postmaster General for his opinion upon it on April 19, 1913. Neither had that committee been informed of the position the department would assume with reference to that bill.

I was astounded when I saw in the newspapers that an order was about to be issued raising the weight limit from 11 to 20 pounds and materially reducing the rate of postage. The committee invited the Postmaster General and the chairman of the Interstate Commerce Commission to appear before it. I ought to say when I saw that statement in the newspaper, out of an abundance of caution I put my bill into the shape of a joint resolution, because I was informed that under the rules of the other House a joint resolution could be taken up without reference to a committee. It appeared at that hearing before the Committee on Post Offices and Post Roads that the matter was presented by subordinates to the Postmaster General on June 17 of this year; that he considered it along with his other duties until June 26; and he approved the change and transmitted his approval to the Interstate Commerce Commission on June 29, so that they could give their consent. The Interstate Commerce Commission gave their consent to the promulgation of the order on July 7. The Postmaster General considered, only for nine days, this subject that had received the consideration of a committee of the Senate for a year. The Interstate Commerce Commission gave a like time to its consideration, if they devoted all of the time they had the matter before them to a study of it. The Postmaster General, however, rather apologized for not having acted earlier than the 26th of June, and gave to the committee his reasons for that.

Another order was issued, to which I object, and it goes back to the proposition that legislation had better be enacted by the legislative branch of this Government. In this parcel-post law was a provision that a distinctive stamp should be used. The purpose of that was to find out by actual experience the revenue derived by the operation of the parcel post, so that we might in a measure hereafter know what the receipts amounted to, and then we would not have to estimate both expenditures and receipts. Of course, even with a distinctive stamp, we would still have to estimate the expenditures, but that would be comparatively easy, because statistics show that the receipts of the Post Office Department have increased during the last 10 or 12

years on an average 7 per cent. Then, with further increase in expenditures, we would have known that it was due to the parcel post, because there was no other and further addition to mail matter.

The Postmaster General bases his right to make that change on the words in this paragraph, "condition of mailability." He did that without reference to the solicitor of the department; without taking legal advice upon it. It is difficult to construe exactly what that paragraph means; but my understanding, on reading the whole section, is that "condition of mailability" refers to one of three things: First, the size of the package, which can not be greater than 72 inches in length and girth combined; second, to the form or kind of matter likely to injure persons in the postal employ or to damage the mail equipment; or, third, to mail matter not of a character perishable within the period reasonably required for transportation and delivery. So I doubted his right to make that change. I doubt it now.

Further, that could not be made except on experience. There had been by the former Postmaster General but two months' experience with the parcel post. On the 6th of March the Postmaster General, on two days' experience, said he would not prohibit the delivery of packages which had on them the ordinary stamp; and in June the distinctive stamp provided for by act of Congress was abolished. So now we can not know, except by estimate, either the revenues of the Government or the expenditures of the Government in this branch of the service.

Mr. President, if this order lowering the rates and increasing the weight limit shall produce a deficit, it will be much more difficult to find it with the only means of ascertaining the revenues the Government derives stricken out of the law by departmental order.

I am rather inclined to believe that the Senator from Kansas [Mr. BRISTOW], who has studied this matter for a year, could have explained to the Postmaster General why the mail-order houses of Chicago would like to have the distinctive stamp abolished. They receive pay for packages in ordinary stamps; they can not use those stamps in remailing the packages with the requirement standing that a distinctive parcel-post stamp must be used; they have to sell those stamps at a discount; and so, of course, they would be interested in having the distinctive stamp abolished in order that they could use the ordinary stamp in mailing back to their customers the articles desired.

I do not know whether or not the rates established in this new order will be self-sustaining. I do not claim to have that intimate knowledge of rate making to enable me to assert that they will or will not; but I do know that they will not be self-sustaining if the cost of transportation is the same in August, 1913, as it was in August, 1912, because the same department gave figures to the committee which would show a loss under these rates. Under the figures given before the law was enacted, it would cost the Government 29.88 cents to deliver a 20-pound package 150 miles away, while under the Postmaster General's order the Government will receive 24 cents for the transportation of such a package, a net loss of nearly 6 cents.

We were told that it costs 3 cents for the first pound and 20 per cent additional for each additional pound for handling packages. That would make a 20-pound package cost 14.4 cents for the handling. We were told that it cost 2.58 mills for the transportation of 1 pound 50 miles under the rates the Government pays to the railroads. Then it would cost 15.4 cents freight and transportation; and if you add the handling cost to the transportation cost it will show the loss above stated.

There is another most peculiar thing in this order, which I believe will result in one of two things: Either in the raising of the rates affected by the order issued or a reduction in the next zone, and when you reduce in the next zone you will have to reduce in the one next to that, and when you carry the package beyond the third or fourth zones it is admitted that the Government will lose money. Our profit must be made in short hauls. The express companies have been giving the long haul to the Government all these years because of that very fact.

Under the law as drawn an 11-pound package could be sent in the first zone, 50 miles approximately, for 35 cents, and in a zone of 150 miles for 46 cents. In the next zone an 11-pound package would be carried by the Government for 57 cents. Now the Postmaster General imposes a charge of 24 cents for 20 pounds and consolidates the first and second zones. Therefore a 20-pound package can be sent 150 miles for 24 cents.

As I have said, I do not know much about rate making, but I never before heard of anybody who claimed that the sum of two local rates ought to be less than the through rate; and yet I undertake to say that, under this provision, the shipper of a parcel-post package weighing 20 pounds can send it 150 miles to the end of the second zone established by law, and then reship it another 150 miles for another 24 cents. Then, what have you? You have the Government carrying a 20-pound package, and required to handle it an additional time, 300 miles for 48 cents, and you charge on this through rate for an 11-pound package 57 cents. If, then, a man wanted to divide his 20-pound package, which he could not send by through shipment to the third zone because of the weight limit, he would put 11 pounds in one package and 9 pounds in another. He would have to pay $1.04 for 20 pounds on a through rate, but the Postmaster General will now allow him to ship twice on the local rates for 48 cents, a difference of 56 cents. It seems to me, Mr. President, that that would be a sufficient inducement to a man to ship twice, because by so doing he would save over half a dollar on each 20-pound shipment.

Mr. President, I hold no brief for the railroad companies or the express companies. I do not know a single gentleman financially interested in either who voted for me when I was a candidate for the United States Senate. All of them I have heard of were opposing me, as they had a right to do.

I have never considered that the proper scope of the parcel post is to raise the weight limit to a hundred pounds, as suggested by the gentleman who wrote the letter and as was suggested in conference in the Committee on Post Offices and Post Roads. I know it was argued and presented to the committee a year ago, when it was making up the Post Office appropriation bill, that we ought to pay the express companies $40,000,000 for their franchises and take over their business. We would have as little use for their franchises as a city would have use for a franchise for doing an electric-light business or furnishing water to its own inhabitants. I have said that I could not understand the economic necessity for an express company and that I believed railroad commissions and commerce commissions, National and State, should not take into account in fixing rates the money the railroad companies pay to the express companies, because that is simply an inducement to take out a part of their earnings and deliver them to a separate corporation in order that these earnings may not be taken into consideration in the fixing of railroad rates.

I believe the transportation companies, the railroads, ought to be made to do the transportation business of the country. If they farm it out that is their business, and not the business of the State or the Government. But will some gentleman who criticizes me, and charges me with working in the interests of the railroad companies, show me how this order of the Postmaster General damages them in the slightest degree?

Ordinarily, when a railroad rate is lowered, it affects the railroad company, but not when the Government lowers a rate of the parcel-post system. Instead of paying less than we did when this law was enacted, we pay 5 per cent more, because of the additional freight that would be carried by the railroads. If the Government wants to carry this mail at a loss and pay the railroads the same rate, I do not see how it can be argued that a reduction of the rate injures the railroad companies. It can not do it.

It seems to me it must be self-evident, however, that we can not compel the railroad companies to carry the mails at a loss to them. The Supreme Court of the United States has said that they are entitled to earn a reasonable return upon their investment. I would not be unfair or unjust to them. If we can not compel them to carry the mails at less than cost—and we can not, and ought not—how can the Government take the place of the railroad, and carry cheaper than the railroad company can?

It is a fact, as shown by the Hughes Commission, that the Government loses 7.39 cents per pound on second-class mail matter. That is the reason we can not have 1-cent postage for letters; yet this reduction, except as to the first pound, is as low as that. Will somebody figure out how it is that we have to carry second-class mail matter, newspapers and magazines, at a loss of 7.39 cents a pound, and yet we can carry fourth-class mail matter, more bulky, at 1 cent a pound and make a profit, and pay the same rate to the railroads for the carriage of both? It is less trouble to deliver newspapers and magazines than it will be to deliver 20-pound packages over the rural routes of this country.

Mr. President, I understand that the object of gentlemen who urge this legislation is to increase the weight limit to 100 pounds. I can not understand, however, how the chairman of the Interstate Commerce Commission, without an investigation, can certify that it is for the best interests of the Government to carry these parcels at this price, nor why he believes the Government will make money by it, and yet allow the express rates to stand as they are to-day. If the Government can do that, the

express companies can carry parcels at as low a rate; yet the Interstate Commerce Commission spent 20 months and $200,000 in an investigation of express rates, and has not reduced them.

Another thing, Mr. President, the rates established by law are lower than the rates charged by express companies. I ask permission to insert in my remarks, without reading, a table showing the rates charged under the present law, before it shall be changed by the Postmaster General, and the rates charged by express companies from 100 to 1,000 miles.

The VICE PRESIDENT. In the absence of objection, permission will be granted.

The matter referred to is as follows:

*Comparison of present parcel-post rates and rates by express.*

| Pounds. | First zone, 100 miles. | Second zone, 200 miles. | Third zone, 300 miles. | Fourth zone, 400 miles. | Fifth zone, 500 miles. | Sixth zone, 600 miles. | Seventh zone, 700 miles. | Eighth zone, 800 miles. | Ninth zone, 900 miles. | Tenth zone, 1,000 miles. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cents. | Cents. | Cents. | Cents. | Cents. | Cents. | Cents. | Cents. | Cents. | Cents. |
| 1 pound: | | | | | | | | | | |
| Present | 6 | 7 | 7 | 8 | 8 | 8 | 9 | 9 | 9 | 9 |
| Express | [1]16 | [1]16 | [1]16 | [1]16 | [1]16 | [1]16 | [1]16 | [1]16 | [1]16 | [1]16 |
| 2 pounds: | | | | | | | | | | |
| Present | 10 | 12 | 12 | 14 | 14 | 14 | 16 | 16 | 16 | 16 |
| Express | 25 | 30 | 30 | 30 | 30 | 35 | 35 | 35 | 35 | 35 |
| 3 pounds: | | | | | | | | | | |
| Present | 14 | 17 | 17 | 20 | 20 | 20 | 23 | 23 | 23 | 23 |
| Express | 30 | 35 | 35 | 35 | 40 | 45 | 45 | 45 | 45 | 45 |
| 4 pounds: | | | | | | | | | | |
| Present | 18 | 22 | 22 | 26 | 26 | 26 | 30 | 30 | 30 | 30 |
| Express | 30 | 35 | 40 | 40 | 45 | 50 | 55 | 55 | 55 | 60 |
| 5 pounds: | | | | | | | | | | |
| Present | 22 | 27 | 27 | 32 | 32 | 32 | 37 | 37 | 37 | 37 |
| Express | 35 | 40 | 45 | 45 | 50 | 55 | 60 | 60 | 60 | 70 |
| 6 pounds: | | | | | | | | | | |
| Present | 26 | 32 | 32 | 38 | 38 | 38 | 44 | 44 | 44 | 44 |
| Express | 35 | 45 | 50 | 50 | 55 | 60 | 70 | 70 | 70 | 80 |
| 7 pounds: | | | | | | | | | | |
| Present | 30 | 37 | 37 | 44 | 44 | 44 | 51 | 51 | 51 | 51 |
| Express | 35 | 45 | 50 | 55 | 55 | 60 | 70 | 70 | 70 | 80 |
| 8 pounds: | | | | | | | | | | |
| Present | 34 | 42 | 42 | 50 | 50 | 50 | 58 | 58 | 58 | 58 |
| Express | 40 | 50 | 55 | 55 | 60 | 70 | 75 | 75 | 75 | 90 |
| 9 pounds: | | | | | | | | | | |
| Present | 38 | 47 | 47 | 56 | 56 | 56 | 65 | 65 | 65 | 65 |
| Express | 40 | 50 | 55 | 60 | 60 | 70 | 75 | 75 | 75 | 90 |
| 10 pounds: | | | | | | | | | | |
| Present | 42 | 52 | 52 | 62 | 62 | 62 | 72 | 72 | 71 | 72 |
| Express | 40 | 50 | 55 | 60 | 60 | 70 | 75 | 75 | 75 | 90 |
| 11 pounds: | | | | | | | | | | |
| Present | 46 | 57 | 57 | 68 | 68 | 68 | 79 | 79 | 79 | 70 |
| Express | 40 | 55 | 60 | 65 | 65 | 75 | 85 | 85 | 85 | 109 |

[1] If prepaid.

Mr. BRYAN. In every instance the rates established by parcel post are lower than the rates established by the express companies, except for 10-pound packages going 100, 200, 400, and 500 miles and 11-pound packages going the same distance; and in those instances there is nowhere a difference of more than 5 cents for an 11-pound package. Yet the chairman of the Interstate Commerce Commission admits that the Government pays more money to its employees than the express companies do. The figures given to me by the former Senator from Oregon, Mr. Bourne, are that the express companies pay an average of $45 per month and the Government pays an average of $97 per month. Besides this, the Government pays more money for the transportation of its mail than the express companies pay for the transportation of their freight.

If these rates are successful, I shall be pleased. I do not believe they will be, however; and I suppose in the performance of a public duty I ought to say so before the Committee on Post Offices and Post Roads. If they be not successful, we shall face a very heavy deficit.

A former Postmaster General issued an order under which the Government carries the mail by freight. The present Postmaster General, if he continues this to 100 pounds, as he thinks he will, will carry freight by mail. If this thing keeps up, pretty soon people will have to go to the freight office to get their mail and to the post office to get their freight.

The papers have stated that the Committee on Post Offices and Post Roads has indefinitely postponed a resolution I introduced. I think the rules will permit me to state that I prepared a resolution, not affecting the order issued but providing that no more orders should be issued changing the rates of postage, the zones, or the weight limits. My understanding of the committee's action is that the resolution was not indefinitely postponed, but that action on it was deferred. I would vote for it to-day.

I did not intend, after the committee took that position, to have anything to say about the matter. I was unwilling, however, to remain quiet under these statements. I think I am within the limits when I say that the Postmaster General did not wish the committee to take any action upon the resolution, because it might be a reflection upon the order issued by him. Sooner or later the matter will again come before Congress, and whenever it does come I do not hesitate to say that I shall vote to take away from any one man the power to make these important changes, and that I shall go as far as any man to make reasonable, fair reductions by act of Congress. I do not think any disposition has been shown by any of the committees not to make reductions wherever they can be made; but we were under the impression that perhaps it would be better to act after investigation than to act first and then have the investigation.

Mr. President, these are the reasons for the conclusion I reached. It may be that my conclusion is wrong, but, nevertheless, it is honestly entertained.

Mr. BRISTOW. Mr. President, I was surprised when I heard read the letter which was sent to the desk by the Senator from Florida [Mr. BRYAN]. I was surprised that the action he has taken should be construed as it was by the writer of the letter.

It has been my great pleasure to serve on a number of committees with the Senator from Florida, and I have never in my experience in public life found a man more devoted to the public interests and freer from the control of any sinister influence. The fact that he saw fit to introduce a resolution that would take from an executive officer the power to change existing law does not justify any allegation that he is endeavoring to serve some special interest. The fact that he opposed the changing of the rates on parcel-post matter until the committee of which he is a member should have completed an investigation, which it was charged by Congress to make, is certainly to his credit.

The difficulty in changing the rates which the parcel-post law now provides is that the Postmaster General can reduce his income, but he can not reduce his expenses. The law fixes a certain rate which the Government pays the railroads for handling the mails. That rate can not be changed by the Postmaster General. Any reduction in postal rates simply reduces the revenues of the Government, and leaves the revenues of the railroads from the Government the same.

In changing an express rate the Interstate Commerce Commission faces a different situation. The railroads get a percentage of the gross receipts of the express companies as their compensation for handling the express business, the percentage being approximately 50 per cent. Therefore, when the Interstate Commerce Commission reduces an express rate it also reduces the amount the railroad receives for handling the express matter. The reduction is shared equally by the railroad and the express company. When the Postmaster General reduces a parcel-post rate all of the reduction comes from the Government, and none of it from the railroad.

Like the Senator from Florida, I was surprised when I learned that the Interstate Commerce Commission had authorized the reduction of postal rates on parcel-post business far

below those charged by the express companies, and had left the express rates as they are, much in excess of those which the Government charges. If the Interstate Commerce Commission, after expending more than $200,000 and devoting two years' time to an investigation of the express business, had reduced express rates, it would have taken from the railroads a part of their profits for handling express business. It has not yet undertaken that service to the public, however, but with an investigation of nine days it can authorize the reduction of the rates on parcel-post matter to a point far below the express rates. By such a reduction it does not in any degree affect the compensation of the railroads, while the reduction of express rates would. If we lose money through this order of the Postmaster General, the Government pays the bill, not the railroads.

I have made this statement because I think it is due the Senator from Florida that the Senate and the public should understand what he was undertaking to do, namely, to protect the revenues of the Government. If we could reduce parcel-post rates, as, in my judgment, we could in the first and second zones, as created by the law, we should first undertake to reduce the rates of pay which the railroads receive. The two operations ought to go together and ought to be considered at the same time, and ought to become effective at the same time. Unfortunately, however, whatever might have been the desire of the Postmaster General as to the compensation of the railroads, he has no power to reduce his payments to them. He can only reduce his receipts, and there is no doubt but that for the second zone the rates he has established will result in loss to the Government, but not to the railroads.

DOCUMENT ON WOMAN SUFFRAGE.

Mr. CHAMBERLAIN. Mr. President, I ask to have published as a public document Senate joint resolution No. 1, with the report of the Committee on Woman Suffrage upon it, and a part of the RECORD of Thursday's proceedings with reference to the receipt of the petitions by the Senate.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I did not hear the last statement made by the Senator from Oregon.

Mr. CHAMBERLAIN. In the RECORD of Thursday's proceedings the addresses that were delivered when petitions were received in support of Senate joint resolution No. 1.

Mr. SMOOT. I dislike to have to call the attention of the Senator to it, but when I do he will understand it. Under the rules when an address is delivered in the Senate or in the House it is never published as a public document. That rule has been adhered to strictly in the past and I believe it ought to be in the future, because if it were otherwise a Representative or a Senator could deliver an address, have it printed as a public document and at public expense, and sent to his district or State in a campaign or at any time he might desire.

Mr. CHAMBERLAIN. This document will not be made up entirely of the proceedings in the Senate on Thursday. It embraces the joint resolution proposing an amendment to the Constitution and the report of one of the Senate committees thereon, and in addition the addresses which were delivered in the Senate on Thursday.

I may say that this is not my suggestion, but it is made at the request of the ladies who presented the petitions, and the document has been prepared entirely by them. If the Senator from Utah objects, it is all right.

Mr. SMOOT. No; I do not want the Senator——

The VICE PRESIDENT. May the Chair inquire if there is a rule on the subject?

Mr. SMOOT. No Senate rule, but there is one by the Joint Committee on Printing.

Mr. LA FOLLETTE. Has it been printed?

Mr. SMOOT. I do not know whether it has been printed or not, but it has been strictly adhered to in the past. I could call the attention of the Senate to Representatives who have delivered speeches in the House and Senators who have delivered speeches in the Senate, and asked that they be printed as a public document.

Mr. CLARK of Wyoming. May I ask the Senator a question? He speaks of a rule. Is it one of the standing rules of the Senate?

Mr. SMOOT. It is a rule of the Joint Committee on Printing of the House and Senate.

Mr. CLARK of Wyoming. Of the Joint Committee on Printing?

Mr. SMOOT. Of the Joint Committee on Printing.

Mr. CLARK of Wyoming. But not a rule of either House of Congress?

Mr. SMOOT. Not a rule of either House of Congress.

I am rather in sympathy with the desire to print the remarks in connection with the joint resolution. There is no objection at all to printing the joint resolution and there are no objections at all to printing the report of the committee, but to print the speeches would be simply printing as a public document speeches that were delivered in the Senate of the United States.

Mr. GALLINGER. Mr. President, if the Senator will permit me, I want to get this matter clearly in my mind, if possible. A Senator can have a reprint of what was said the other day and send it out under his frank. What difference does it make? If this is a public document, he has to pay for the printing of additional copies to send out, if he desires to do so.

Mr. SMOOT. Of course, a Senator can do that by paying for it, but that is not what this request is. The Government of the United States will pay for this printing.

Mr. GALLINGER. No; the Government of the United States will pay for a few hundred copies.

Mr. CLAPP. A Senator can not get a reprint of a speech delivered by him and make it a public document without the consent of the Senate.

Mr. GALLINGER. Oh, yes.

Mr. CLAPP. At his expense?

Mr. GALLINGER. Certainly. If this is printed as a public document, I will ask the Senator from Utah how many copies will be printed?

Mr. SMOOT. About 1,672.

Mr. GALLINGER. And about 1,300 of those are sent around to libraries and the departments. So a Senator can send it out under his frank if he has it reprinted at his own expense.

Mr. SMOOT. That is not altogether what I have reference to. The chairman of the Joint Committee on Printing can order printing up to $200 worth with no action on the part of either the House or the Senate. Then above that amount, of course, the order would have to be made by either House. Similar requests to this have always been refused in the past. If the Senate wants to set the rule aside, well and good.

Mr. GALLINGER. There is not much danger of the Joint Committee on Printing investing in this propaganda, if it may be so called, if they are so hostile to the entire matter. I can not see any objection to printing 1,600 copies of this document.

Mr. CHAMBERLAIN. Mr. President——

Mr. SMOOT. I am not going to object, since I have brought it to the attention of the Senate. The only excuse that could be offered for printing the speeches now is that they are in connection with other matters.

Mr. CHAMBERLAIN. May I ask the Senator a question?

Mr. SMOOT. Certainly.

Mr. CHAMBERLAIN. I should like to ask the Senator if he understands that the Senate and House of Representatives, or either body, is bound by the rules of the Joint Committee on Printing? The Senate can do anything it desires, notwithstanding any rule which that committee has adopted.

Mr. SMOOT. That was discussed in the Senate the other day quite fully. The printing has by law been put in the hands of the Joint Committee on Printing to a certain extent. I do not want to go all over that ground again, because it was covered pretty thoroughly here 10 days or more ago. I can see danger in this proceeding, as far as the expense to the Government is concerned, if carried out; but, as I said, I am not going to object to it. I have done my duty in calling attention to it.

Mr. GALLINGER. What attracts my attention particularly, Mr. President, is that we are constantly ordering printed as public documents speeches delivered by Senators outside the Chamber, while speeches delivered in the Senate are to be discriminated against.

Mr. SMOOT. That is true. There is no rule against that and no objection to it.

Mr. GALLINGER. There never has been an objection raised when that has been requested. I suppose senatorial courtesy governs that. In view of that fact, why an objection should be raised to printing remarks made in the Senate Chamber when a Senator has a right to have it reproduced at his own expense and sent out under his frank, I can not quite understand.

Mr. SMOOT. One reason is because it is in the RECORD already. It is a part of the RECORD, and under the law a Senator or Representative can have printed at the Government Printing Office as many copies at his own expense as he wishes, at the actual cost plus 10 per cent.

Mr. GALLINGER. In the other case the speech appears in a newspaper in some part of the country, and we order it printed here, and it is sent out under a frank.

Mr. SMOOT. That is exactly the situation, Mr. President.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon?

Mr. THORNTON. I should like to inquire, before the request is put, just what it is that the Senator from Oregon asks to have printed.

Mr. MARTINE of New Jersey. I ask that the title-page be read.

Mr. CHAMBERLAIN. There is not anything secret about this on its face. The ladies who ask to have the document printed intend to use it for educational purposes in the country. There is not any question about it. They have collected together, first, the joint resolution (S. Res. 1), which has for its purpose the amendment of the Constitution so that women may vote; second, there is the majority report of the Committee on Woman Suffrage; and, third, extracts from the proceedings which were had in the Senate Thursday when those ladies representing the different States presented their petitions. That is all there is to it.

Mr. THORNTON. I did not ask the Senator from Oregon to state the reason for the publication, nor do I ask for the language of the resolution. I should like to know exactly what it is he asks to have printed. I understood him to say that it is the speeches favoring the amendment he desires to have printed.

Mr. CHAMBERLAIN. Oh, no; all the speeches that were made.

Mr. THORNTON. Everything that was said by any Senator at the time he presented petitions?

Mr. CHAMBERLAIN. I may say with reference to that, I did not read it over, but just took it as presented by these ladies; and I presume the speeches are intact.

Mr. THORNTON. The point I make is that I am not willing to have simply the statements of Senators favoring the amendment printed, leaving out the statements of certain Senators giving the reasons why they do not favor it.

Mr. CHAMBERLAIN. We will put it all in. I request that it all be put in, if that is not already provided for.

Mr. MARTINE of New Jersey. I ask that the title-page be read.

Mr. CHAMBERLAIN. There is no resolution attached to the request.

Mr. MARTINE of New Jersey. I did not say resolution; I said the title of the document that the Senator proposes to print. What is it?

Mr. CHAMBERLAIN. Let the Secretary read it.

The SECRETARY. All that is written as a title-page is the following:

Write, wire, or see your Senators and Representatives. Urge them to submit the equal-suffrage amendment to the 48 States for ratification or rejection.
Extracts from CONGRESSIONAL RECORD, Thursday, July 31, 1913.
Presented by Mr. CHAMBERLAIN.

Mr. GALLINGER. Manifestly the first paragraph ought not to go in the document.

Mr. CHAMBERLAIN. That can be erased.

Mr. JONES. It seems to me that the Senator from Oregon had better examine what he has asked to have printed as a document so as to be sure that it is right.

Mr. CHAMBERLAIN. Mr. President, I have said frankly that it was not prepared by me. It has been presented by me at the request of the ladies. So far as the title-page is concerned I do not care anything about it. Let it be printed in the usual form of all matters which are printed as public documents.

Mr. JONES. I wish to call the Senator's attention to the fact that the title-page says "extracts" from the speeches delivered the other day, from which one would naturally infer that it does not include the speech, for instance, of the Senator from Louisiana.

Mr. GALLINGER. The Senator from Oregon had better withdraw his request for the present and examine the document.

Mr. THORNTON. I want my speech to be there, and, if not, I shall object to anybody else's going there.

Mr. CHAMBERLAIN. I am anxious to have the speech of the Senator from Louisiana put in, if it is not already there.

Mr. BRANDEGEE. Mr. President, the other day we all remember that there was inserted in the RECORD a document which afterwards the Senator at whose request it was inserted admitted that he had not read, and he asked the leave of the Senate to have it expunged from the RECORD, which was done.

Mr. CHAMBERLAIN. If the Senator will permit me——

Mr. BRANDEGEE. I yield.

Mr. CHAMBERLAIN. In order that there may be no question about this matter, I will ask permission to withdraw the request for the present. I will go through it and see that there is nothing objectionable in it and that all the speeches are embraced in it.

Mr. GALLINGER. That is right.

Mr. BRANDEGEE. To resume what I was saying, I desire to complete my statement, although I yielded to the Senator not for the purpose of withdrawing his request, but I supposed he wanted to ask me a question. Inasmuch as the Senator has admitted that he has not read the document which has been sent to the desk, and inasmuch as it does not appear to be a complete account of all the proceedings that took place in connection with the event which the document concerns, I am very glad the Senator has asked leave to withdraw it for the purpose of making a complete examination of it.

The VICE PRESIDENT. The request is withdrawn for the present.

## PETITIONS AND MEMORIALS.

Mr. NORRIS presented petitions of sundry citizens of Paxton and Lincoln, in the State of Nebraska, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

He also presented memorials of sundry citizens of Collegeview, Nebr., remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which were ordered to lie on the table.

Mr. MARTINE of New Jersey presented a petition of sundry citizens of Moorestown, N. J., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

## BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 2875) relating to the anchorage of vessels in navigable waters of the United States; and

A bill (S. 2876) to amend an act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved March 4, 1913; to the Committee on Commerce.

By Mr. HUGHES:

A bill (S. 2877) to amend an act entitled "An act to carry into effect provisions of the treaties between the United States, China, Siam, and other countries, giving certain judicial powers to ministers and consuls or other functionaries of the United States in those countries, and for other purposes," approved June 22, 1860; to the Committee on Foreign Relations.

By Mr. STERLING:

A bill (S. 2878) granting an increase of pension to Dallas Wamsley; to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 2879) to provide for the acquisition of a site and the erection thereon of a public building at Salida, Colo.; to the Committee on Public Buildings and Grounds.

By Mr. McLEAN:

A bill (S. 2880) granting an increase of pension to Julia J. Athington (with accompanying paper); to the Committee on Pensions.

## AMENDMENT TO THE TARIFF BILL.

Mr. GALLINGER. I submit an amendment to the tariff bill and ask that it be read, printed, and referred to the Committee on Finance.

The amendment was read and referred to the Committee on Finance, as follows:

Amendment intended to be proposed by Mr. GALLINGER to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.
Add to the bill the following:
"SEC. —. That the act entitled 'An act to amend the national banking laws,' approved May 30, 1908, is hereby amended as follows: Strike out the words 'first month' where they occur in section 9 of said act approved May 30, 1908, and insert in lieu thereof the words 'first three months.'"

## ADDRESSES AT NAVAL ACADEMY (S. DOC. NO. 143).

Mr. SWANSON. Mr. President, at the commencement exercises of the United States Naval Academy at Annapolis June 6, 1913, a very splendid address was delivered by the Secretary of the Navy to the graduating class. I think it is of sufficient value to justify its being printed as a public document. It gives his ideals as to the personnel of the Navy. At the same time the Senator from Maryland [Mr. SMITH], president of the Board of Visitors, delivered an address. I ask unanimous consent that the two addresses be printed together as a public document.

Mr. CLAPP. Mr. President, of course I could not object to the request, as it would be charged as partisan bias. I think there is only one remedy for this situation, and that is for every Member of the Senate upon his own behalf to put his foot down against using the RECORD for speeches that are made out-

side of Congress when matter is sent to us with a request that it be printed in the RECORD.

Mr. SWANSON. This is not a request to print in the RECORD; it is a request to print as a public document. I think it is a very valuable contribution as to the ideals of the personnel of the Navy, what should be the purposes and designs of officers and men. I think it would be very well to have it printed as a public document, with a view of sending it to the officers and men.

Mr. CLAPP. I will not object.

Mr. SWANSON. I do not ask that it be printed in the RECORD.

Mr. CLAPP. It may be a desirable document to print, but when placed in the position of saying what is desirable and what is not desirable, we are thrown in the attitude of partisan bias as objecting to things that may come from other political quarters. We are simply loading the RECORD and we are printing matter as public documents which ought not to be printed. There is only one remedy, and that is for each Senator to put his own foot down and say he will stand against it, because the moment a Senator makes such a request every Senator in this Chamber naturally is required, while he may protest, to say that he does not feel like objecting.

Mr. GALLINGER. Mr. President, I do not rise to object. I remember making an address once before the graduates of the Naval Academy and I am glad it was not printed as a document, because my view of its value might not be the view of others. But I will ask the Senator from Virginia whether the Secretary of the Navy in this address advocated what he has advocated somewhere else, if not on that occasion, that the officers and the sailors of the Navy should be required to mess together?

Mr. SWANSON. This was an address by the Secretary of the Navy. His remarks are usually very appropriate and sensible in all his addresses. It was an address to the graduating class trying to form ideals in life for the men in the Navy. It is a very fine address, and I think it would be a great deal better to print it as a document than a great many that have already been printed.

Mr. GALLINGER. I assume that it was not on that occasion that the Secretary of the Navy advocated what I stated?

Mr. SWANSON. It was not on that occasion. I do not know whether he ever delivered an address of that kind or character.

Mr. CLARK of Wyoming. I ask the Senator from Virginia if that was the address which was said to be the cause of the riot at Seattle?

Mr. SWANSON. Neither this nor any address by the Secretary of the Navy has ever occasioned any riot. This is not a political address; it is an address that I think it would be very well for young men entering the Navy to read.

Mr. KERN. Mr. President, I was about to ask the Senator from New Hampshire if he was quite sure that the Secretary of the Navy on any occasion had declared in favor of the sailors and officers of the Navy messing together?

Mr. GALLINGER. I think there can be no question about it. It has been published broadcast and never denied.

Mr. KERN. There are hundreds of allegations made in the newspaper press of the country affecting not only the utterances of public men but their character that are not denied. I understood the statement in an entirely different sense from that stated by the Senator from New Hampshire.

Mr. GALLINGER. Will the Senator state what his understanding about it is?

Mr. KERN. The question has come up repeatedly under the former régime as to whether a meritorious sailor should receive promotion as an officer, no matter how meritorious he was. I have an instance in my mind now where a clean, bright-eyed, studious, hard-working sailor had prepared himself that he might be an officer of the Navy, and when the application was made before some board—I do not know the name of it—the proposition was made that it would not do to advance him, because it would not do to take such a man as that, a common sailor, into the mess with the officers of the Navy. I understood that the Secretary of the Navy is opposed to that kind of a declaration of caste in the Navy. The declarations were to the effect that where a common sailor, a seaman of any kind, had worked himself up and become capable of becoming an officer of the Navy, it did not lie in the face of any of the perfumed officers of the Navy to object to him because he had been a common sailor and because they did not feel like sitting at the same mess with a man who had been a common sailor.

I have heard the Secretary of the Navy express a sentiment opposed to that sort of a declaration as to caste, that sort of an un-American proposition. I have never heard him make any statement that a common sailor and the officers of the Navy should mess together. I have no sort of doubt that the declaration he made, that I have given just now, has been distorted so as to give it the color which has been given by the Senator from New Hampshire.

Mr. GALLINGER. The Senator from Indiana has not heard the Secretary of the Navy say certain things. Probably the Secretary of the Navy has said a great many things which the Senator from Indiana has not heard him say. I think, when the Senator makes careful inquiry into this matter, he will find that his ebullition this morning was unwarranted; and I will suggest to him that the Secretary of the Navy has rescinded that order——

Mr. KERN. What order?

Mr. GALLINGER. Admitting that it was not correct. That is my understanding of it.

Mr. KERN. I understood the Senator from New Hampshire a while ago to disclaim any personal knowledge on the subject at all.

Mr. GALLINGER. The Senator from New Hampshire did not make any such disclaimer. He has just as good knowledge on that subject as has the Senator from Indiana, and has the same sources of information.

Mr. KERN. The Senator from Indiana, when the charge was made, called for some proof of the charge, which was a cruel one if untrue, and he understood that the Senator from New Hampshire knew nothing on the subject.

Mr. GALLINGER. Well, Mr. President, the Senator from New Hampshire will exercise his liberty under the rules of this body to ask a respectful question at any time of any Senator, and it does not lie in the mouth of the Senator from Indiana to read a lecture to him because he has done that. That may be as well understood now as at any other time.

Mr. KERN. I know that it has been the rule here—perhaps I should not say it has been the rule, but there has been an impression in certain quarters—that a young Senator, a man who has only been here a short time, should not dare to express his opinion against the opinion of one of the older Senators without being criticized for an "ebullition," or some other contemptuous remark being applied to him.

Mr. GALLINGER. Now, Mr. President, the Senator from Indiana has made a most remarkable discovery. The Senate knows better than that, and the Senator from Indiana knows better than that. He knows that there is not a Senator here, however short his term has been, who has not been at liberty to occupy all the time he desired in the Senate, and that no objection has ever been made to it. The pages of the CONGRESSIONAL RECORD will abundantly prove that statement to be correct.

Mr. KERN. No objection has been made on the floor of the Senate.

Mr. GALLINGER. Well, the Senator from Indiana must have some information that the rest of us have not, if it has ever been made either in the Senate or anywhere else.

Mr. KERN. I think it is pretty generally understood.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia? The Chair hears none, and the addresses will be printed as a public document.

## SEGREGATION ORDER IN POST OFFICE DEPARTMENT.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read the resolution (S. Res. 147) submitted on the 1st instant by Mr. CLAPP, as follows:

Whereas it is reported that there has been a segregation order issued by some unknown source or authority in the Post Office Department; and

Whereas the clerks and employees have worked together peacefully for over 50 years; and

Whereas the said segregation order will cost the Government of the United States over $150,000: Therefore be it

*Resolved*, That the Committee on Post Offices and Post Roads be, and they are hereby, authorized to inquire into and to report by what authority the said segregation order was issued and what necessity, if any, exists for such order in the executive department after 50 years of perfect peace among the employees of the department, which order makes it very inconvenient for the clerks.

Mr. BANKHEAD. Mr. President, I think perhaps that resolution had better go to the Committee on Post Offices and Post Roads for consideration.

Mr. CLAPP. Mr. President, of course, the resolution, as its preamble recites, is based upon the report that some such an order has been made in the Post Office Department as that referred to. The object in introducing the resolution was to ascertain whether that report is correct; and if so, what is the authority for it. I quite agree, as it affects the investigation at the hands of a given committee, that before the resolution is acted upon it is only due, as a matter of courtesy, that it be referred to the committee. I trust the committee, without any

unnecessary delay, will report one way or the other on the resolution.

The VICE PRESIDENT. The resolution will be referred to the Committee on Post Offices and Post Roads.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321, the tariff bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. SIMMONS. Mr. President, I should like to make an inquiry of the Senator from New Hampshire [Mr. GALLINGER]. Of course, we all are anxious to make headway with this tariff legislation and are doing our best, but we are unable to get to its consideration, as a rule, before 1 or half past 1 o'clock daily. I wish to inquire of the Senator from New Hampshire if he thinks it might meet with approval—because at this stage I do not wish to unduly press the Senators on the other side of the Chamber—if we should meet at an earlier hour, say, at 11 o'clock? If the Senator is not able to answer now, I merely make the suggestion at this time so that he may inquire among Senators on his side of the Chamber before answering.

Mr. GALLINGER. Mr. President, I will make a frank answer. I am not authorized to speak for my associates as to that matter. Personally, I should not object to meeting at 11 o'clock, commencing, say, the middle of next week; but I can not speak for anyone else. I will say to the Senator from North Carolina that I will take the matter up with some of my associates and report to him within a day or two what the feeling is regarding it.

I appreciate, as the Senator does, that we are not making very rapid progress; and while I have been quoted, incorrectly as a rule, as desiring to obstruct the consideration of this bill, I do not feel at all in that spirit or mood. I want to see the consideration of the bill go along as rapidly as it can. There are a great many subjects yet to be debated—the metal schedule, the wool schedule, the cotton schedule, the income-tax provision, and the concluding provisions of the bill—which will necessarily take a good deal of time. While I feel, as the Senator doubtless does, that we ought to have every proper facility for expressing our views as individual Senators on any matter that concerns our States or the country, yet we ought to make as much progress as is consistent with a full and fair consideration of the various schedules.

That is all the answer I can now give the Senator, promising him that I will take the matter up and report to him what the feeling is on this side on the question.

Mr. SIMMONS. I hope we may be able to do that after, say, Tuesday, at the furthest.

Mr. ROBINSON. Mr. President, I did not hear the request of the Senator from North Carolina.

Mr. SIMMONS. I did not put it in the form of a request, but I made an inquiry whether it would be agreeable to Senators on the other side to meet daily at 11 instead of at 12 o'clock.

Mr. ROBINSON. I should like to ask the Senator from North Carolina and the Senator from New Hampshire if they do not think it possible and practicable to meet at 10 o'clock instead of at 11 o'clock? We have been debating this bill now for several weeks, and the progress that has been made is deplorably slow. This fact is recognized generally throughout the country. I should like to be informed by the Senator from North Carolina if he does not think it practicable to meet at 10 o'clock?

I will state, in this connection, that I am informed that there are still a number of general or so-called set speeches to be made; but the country is becoming quite impatient with reference to the consideration of this bill. It is a conceded fact that the bill is going to pass; and what I want to know is why we can not meet at 10 o'clock, so as, if possible, to that much more hasten the consideration and passage of this measure?

Mr. LEWIS. Mr. President, if I may be permitted to take the liberty to intrude a suggestion to all Senators who are now engaged in this thought, it is impossible, as I view the situation, for Senators to avoid the duty imposed by their constituents and the necessities of their position of attending to business in the different executive departments in the morning. It is almost impossible for them to escape those obligations, and, since they must be performed, I take the liberty of suggesting to the distinguished Senators from North Carolina and New Hampshire that as we are so situated we should continue meeting at the regular hour of 12 o'clock, but have evening sessions, as the morning time undoubtedly must be occupied in duties respecting the departments. I have nothing further to add than to make the suggestion that such was the course adopted by the House of Representatives on this bill——

Mr. GALLINGER. Mr. President, speaking for myself, I think it is impracticable at present, certainly, and it will be in the immediate future, to meet as early as 10 o'clock, and it is quite out of the question that we should at this stage of the proceeding have evening sessions. Later on we will doubtless be willing to hurry the matter in any way that is necessary, but I think the request made by the Senator from North Carolina as to meeting at 11 o'clock is a very proper one, and I think we had better first give that serious consideration.

Mr. SIMMONS. Mr. President, I personally would be very glad if we could meet at 10 o'clock. I think a little later, if, after the general speeches have been finished, we do not make better headway, we might meet a little earlier than 11 o'clock; and if we then do not make reasonably rapid speed, we might have night sessions. I think, though, that the general speeches are about over. There are a few more to be made; but I think next week we will not be troubled so very much with them.

I want to say that we have been on this bill only two weeks, and in the consideration of no other tariff bill which has been presented since I have been here have we advanced so far during the first two weeks as we have in the consideration of this bill.

Mr. WALSH. Mr. President, I regret very much indeed to observe that the senior Senator from the State of North Dakota [Mr. MCCUMBER] is not in his seat this morning, because it is my purpose to pay some attention to the address delivered by that Senator on this floor some time since. During the early part of the week I inquired of his colleague whether he would be likely to return soon, and was told by him that he hoped he might be here by this time. As the desire is general that the discussion proceed without any undue delay, I trust I shall not be considered guilty of any impropriety in proceeding accordingly as though the Senator were here, more particularly as he has indicated his purpose again to address the Senate before the close of the present debate.

The debate on the pending tariff bill may be said to have been begun after it was reported by the Finance Committee by the address of the senior Senator from North Dakota on Monday, July 14. It was a characteristic speech, assuming as an indisputable proposition that universal business ruin was to follow in the train of the enactment of the bill under consideration—the product of economic incompetency with an admixture of malevolence on the part of those responsible for it against every legitimate industry in general and toward agriculture in particular. It is worthy of note that nowhere in the remarks of the Senator was there any intimation that any reduction in the existing rates should be made—at least not in the agricultural schedule. Nothing that transpired during the consideration of the Payne-Aldrich bill—the terrific onslaughts of the ablest men among his party associates on this floor nor that has happened since; the political revolution which got its irresistible impulse from those assaults—has disturbed his sublime confidence in the sacred character of that measure.

He is determined neither to yield nor to waver in his conviction that the Nation-wide depression of 20 years ago was due to the effort to revise the tariff, though the senior Senator from Wisconsin should say that "it is puerile to attribute it to the Wilson tariff law of 1894," or the senior Senator from Iowa should assert that he concurs in the sentiment thus expressed. It is on the basis of the historic fact thus assumed to exist that he indulges in predictions of woe unspeakable to flow from the measure before us. In the name of the American farmer, whose convictions he presumes to speak, he protests, vainly he concedes, but vigorously nevertheless, against the removal or the reduction of the duties upon farm products. The entire bill is a conspiracy, he conceives, against the farmer who provides bread, in the interest of the denizen of the city who eats it. The lot of the farmer is a deplorable one at best, as he pictures it. Unremitting toil is rewarded in his case by a bare living, and the slightest reduction in the price of the products of his labor must entail bankruptcy and destitution. Now he stands face to face with them.

Upon whom does the Senator suppose this doleful tale and dire prediction, uttered so oracularly, are to make an impression? How have these conditions, the prospect of the passage of the act that promises so much misery, affected those most vitally concerned—the people whose thoughts turn to the cultivation of the soil as an avocation alluring above all others for the rewards it offers to honest endeavor?

The agricultural possibilities of the great State which I have the honor in part to represent in this Chamber, have,

except so far as they rest upon artificial irrigation, been but recently revealed. They were scarcely contemplated by our own people six years ago. It was assumed, without any real serious test, that, except within very restricted areas, it was impossible to raise annual crops in Montana without irrigation. The reverse of this is now thoroughly established and generally recognized. It is the exception rather than the rule that aridity forbids the cropping of lands that may be tilled. Great railroad systems are projecting new lines across the State and contending with each other for favorable terminal sites because doubt has been dispelled as to the availability of our lands generally for farming. No matter how numerous or how important may be the works of irrigation prosecuted by the Government or promoted by private capital, the area covered or to be covered by them must remain insignificant in comparison with the vast regions that must depend for moisture upon the natural provision.

If you refer to a map of the State exhibiting the areas irrigated by the Government works, or which it is intended shall be irrigated by them, the disparity will be found so great as to be scarcely believable. They appear as comparatively insignificant strips along the rivers supplying the water. Yet they are only relatively trivial in extent, the remainder being so interminably vast. These limitless wastes, the grazing ground by turns of the buffalo and his domesticated brother, are now being turned into grain fields, the irrigated sections affording an affluence of forage and inviting the production of crops requiring or justifying intense cultivation. The rapidity with which this is being accomplished, as disclosed by the figures issued by the Department of Agriculture, is as gratifying as it is startling.

The acreage sown and the crop harvested in Montana, in the case of the principal cereals during each year since 1904, are shown in the following table:

WHEAT.

| Year. | Acreage. | Bushels. |
|---|---|---|
| 1905 | 119,469 | 2,843,326 |
| 1906 | 137,389 | 3,297,336 |
| 1907 | 139,000 | 4,003,000 |
| 1908 | 153,000 | 3,703,000 |
| 1909 | 350,000 | 10,764,000 |
| 1910 | 480,000 | 10,560,000 |
| 1911 | 429,000 | 12,299,000 |
| 1912 | 803,000 | 19,346,000 |

OATS.

| | | |
|---|---|---|
| 1905 | 178,911 | 7,389,024 |
| 1906 | 196,802 | 8,501,846 |
| 1907 | 240,000 | 11,760,000 |
| 1908 | 254,000 | 10,566,000 |
| 1909 | 300,000 | 15,390,000 |
| 1910 | 350,000 | 13,000,000 |
| 1911 | 425,000 | 21,165,000 |
| 1912 | 476,000 | 22,848,000 |

BARLEY.

| | | |
|---|---|---|
| 1905 | 15,227 | 502,491 |
| 1906 | 14,313 | 472,329 |
| 1907 | 17,000 | 646,000 |
| 1908 | 25,000 | 875,000 |
| 1909 | 50,000 | 1,900,000 |
| 1910 | 52,000 | 1,456,000 |
| 1911 | 31,000 | 1,070,000 |
| 1912 | 39,000 | 1,424,000 |

FLAXSEED.

| | | |
|---|---|---|
| 1908 | 9,000 | 104,000 |
| 1909 | 10,000 | 120,000 |
| 1910 | 60,000 | 420,000 |
| 1911 | 425,000 | 3,272,000 |
| 1912 | 460,000 | 5,520,000 |

We produced just a little less than 20,000,000 bushels of wheat in 1912 from 803,000 acres. Our area in wheat was nearly double that devoted to that grain the year before, when we sowed 429,000 acres, returning a little more than 12,000,000 bushels.

We had 460,000 acres in flax in 1912 as against 60,000 in 1910, yielding 5,520,000 bushels of seed. Montana stood second among the States of the Union in the production of that grain last year.

Our total cultivated area in 1912 exceeded that of the year before by upward of a half a million acres, an increase in the area cultivated to wheat of 87 per cent; of oats, 12; barley, 26; rye, 25; corn, 20; flaxseed, 8; and potatoes, 37.

I might say in passing that the average yield of wheat per acre in the United States is 15.9 bushels, while in Montana the average is 24.1 bushels. Those best qualified to venture upon prediction undertake to say that within 10 years Montana will lead the Union in the production of wheat.

Evidently there is a multitude of people who have recently come to believe that farming pays in Montana, however the case may be in North Dakota.

Mr. GRONNA. Mr. President, will the Senator object to an interruption?

Mr. WALSH. Not at all.

Mr. GRONNA. The Senator from Montana knows that the great development of the agricultural industry in Montana can be attributed to the fact that a bill was passed by Congress a few years ago permitting settlers to take what was called an enlarged homestead—320 acres.

Mr. WALSH. I should not like to admit that.

Mr. GRONNA. I state that as a fact, Mr. President. There are hundreds of people who have gone from my State into the State of Montana and have taken lands under the 320-acre act; and that is one of the reasons why farming has developed as rapidly as it has in Montana.

Mr. WALSH. I am glad of the suggestion. I have no doubt it was a factor. Are they being deterred from embarking in the business because of dread that disaster may overtake them in consequence of the effects of the pending tariff measure on the price of farm products, either directly or indirectly? Not at all. They are coming faster this year than ever before.

The land office records disclose that 10,645 homestead entries were made during the first half of the current year, the distribution among the various land offices of the State being as follows:

| Office. | First quarter. | Second quarter. |
|---|---|---|
| Billings | 113 | 405 |
| Bozeman | 158 | 283 |
| Glasgow | 477 | 633 |
| Great Falls | 230 | 1,071 |
| Havre | 1,319 | 2,135 |
| Helena | 160 | 263 |
| Kalispell | 60 | 93 |
| Lewistown | 315 | 995 |
| Miles City | 632 | 1,140 |
| Missoula | 98 | 65 |

This does not represent the total number of settlers who have come to the State within the period named, for many must have established themselves on land not yet surveyed. It will be understood that no record of the claims of such settlers can be made until the official survey has been approved, when they become entitled to a preference right of entry. Scarcely a mail arrives that does not bring appealing letters asking that the public land surveys be speeded. I trust that before this session comes to a close an adequate appropriation may be made to meet this urgent necessity. It is safe to say that more than 12,000 strangers have come to our State in the past half year to engage in the business of farming.

A most comforting feature of this remarkable immigration is that among those now coming to Montana are a very considerable number from the Canadian Provinces to the north of us, including not a few born under our own flag, who have been allured by persistent effort, by generous advertising, and by a wise and liberal public land policy, in marked contrast with our own, temporarily to expatriate themselves.

The Montana department of agriculture and publicity has a list of the names and addresses of 1,700 people who have come to that State from Canada this year.

I allude at the present time to the figures given as conclusive proof not only that the business of farming remains attractive for the rewards it offers, but that despite the repressive policy which has unfortunately obtained in reference to the appropriation of our public domain by settlers, those seeking new homes thereon with a purpose to engage in the cultivation of the soil appear to share very little the dread that excites the mind of the Senator from North Dakota of competition from the Canadian farmer. Neither do his constituents. They have exhibited no such feverish interest in the present bill as was evoked by the reciprocity measure. At least their neighbors of South Dakota have been most marvelously indifferent to the catastrophe that is said to be impending. Senator CRAWFORD, testifying before the lobby investigating committee, said:

> Not a single citizen from my State has appeared in Washington for the purpose of discussing this tariff legislation. * * * Two or three years ago, when we had the Canadian reciprocity bill before the Senate, the people of my State were very much wrought up over it. They were indignant over that bill. They felt that it directly injured them in removing the tariff from flax and barley and wheat, and also the discrimination was so marked they felt personally grieved about it, and I received letters by the score. A delegation of farmers came down here from my State and went before the Committee on

Finance, and I have remarked more than once to myself the difference in the manifestation of interest in that bill and in the tariff bill now pending. I have been puzzled to some extent to find a reason for the difference in the attitude of the people at that time and now.

The explanation of the condition thus adverted to is not at all difficult. The intelligent farmer of South Dakota recognizes that he has nothing to lose in a general revision of the tariff; that lowering the rates of duty generally promotes competition in the commodities he must buy, even though he may occasionally profit by a duty on some grains he raises.

Mr. CRAWFORD. Mr. President, will the Senator permit me there?

Mr. WALSH. Certainly.

Mr. CRAWFORD. How does that explain the difference when, if there be any effect at all, the effect of the reciprocity bill and the effect of this bill must be very much the same? Does the Senator think our people have grown so much more intelligent in the short span of only two years? Does he think that is the explanation of it?

Mr. WALSH. I thought I had made my idea clear when I stated that there being by this bill a general reduction in all the duties—not a reduction in the duties on their products alone, leaving subject to the higher rates of duty everything they are obliged to buy and everything they consume—they might very readily object to the reciprocity measure and find nothing particularly to complain of in this.

Mr. CRAWFORD. Yes; but there was a certain percentage of reduction in the manufactured products.

Mr. WALSH. True; but there was a reduction only on importations from Canada.

Mr. CRAWFORD. And in the same Congress bills were introduced and passed which at that time were openly said to be compensatory bills for the farmer, putting agricultural implements on the free list, and that sort of thing; and yet the stream of letters came. I have been inclined to think they were simply accepting a situation in regard to which they thought it was not worth while to make any protest because it was a foregone conclusion.

Mr. WALSH. Possibly some Senator might draw a different conclusion. I am giving mine.

It was against a convention that admitted free the products which came into competition with his while he was required to buy in a highly protected market that the farmer rebelled. Had the agreement arrived at pursuant to which the reciprocity bill was introduced embraced provisions according to him such advantages as accrued from the farmers' free-list bill, he would have exhibited, in all probability, as little concern as he does now over the pending measure. He sees compensation in this bill already adverted to in the debate, even if it be admitted that a duty on wheat accorded to him some advantage. It was the absence of such in the reciprocity measure that provoked his wrath; and it can not be rekindled by any such figures as were adduced in support of the gloomy views expressed by the Senator from North Dakota. Take those in relation to flax, for instance. It is the very general conviction, even among those who entertain the most fixed convictions of the error of the theory upon which the bill is framed, that it represents an honest, studious, patriotic effort to meet the just expectations aroused by the success of the party in power—an earnest attempt to put into law the fiscal policy of the Democratic Party. In the general denunciation leveled against it in the address referred to as being the product of minds utterly unable to cope with the subject with which they presumed to deal, the Senator took occasion to say:

> I dare say there is not a man among those who cut down the flaxseed duty who has the faintest idea what it costs to thrash a bushel of flaxseed, much less what it costs to raise it.

My State, Mr. President, bordering his, in the same latitude, stands next to it in the production of flaxseed, as stated. Why should he arrogate to himself and his party associates such superiority of knowledge concerning this important field product? I can not refrain from expressing my regret that he should feel, much less publish to the world, so ill an opinion of the equipment which the Senators from Montana brought to the discharge of their duties here. I came prepared to advise the Senate, not only what it costs to raise and thrash flaxseed in Montana, but what it costs to raise and thrash it in the State of North Dakota as well; and as the figures will be more or less instructive and illuminating I shall trespass so far upon the patience of the Senate as to descend into detail.

A lady residing in my town had owned for a great many years 160 acres of land in Wells County, N. Dak., a region that has been settled since the early eighties. The county is traversed by two lines of railroad. It is situated about in the center of that portion of the State which lies east of the Missouri River. The land in question, as the sequel will show, is as good as there is in the State outside of the Red River Valley. She had been trying vainly to sell it, hoping eventually to realize $25 an acre for it. She was finally offered $2,800, and, being about to close the deal, was dissuaded and induced to have it plowed up and sowed to flax. She entered into a contract with a gentleman, who undertook to break the land at $2 an acre, provided he might crop it on the terms he proposed, the regular price for breaking being $3.50 per acre. By the contract she was required to pay for the seed and one-half the thrashing bill and was to receive one-half the crop. Owing to the lateness of the season only 108 acres were broken, the seed, one-half bushel to the acre, costing $135. This, with the cost of breaking, made her total outlay $351. The crop thrashed out 1,206 bushels and 24 pounds and sold in Minneapolis at $1.39½ per bushel, or $1.29 at the shipping point, yielding $1,655.26, of which she received $827.63, less one-half the cost of thrashing, at 25 cents a bushel, $162, and the cost of hauling $71.28. The lady was able to pay out of the crop for the breaking of the land, and she had left better than 8 per cent on the highest price she could get for the land. If credit is taken for the difference between the cost of breaking and ordinary plowing at $1.50 per acre, a liberal allowance, her profits amounted to $557.35, or a little less than 20 per cent on the value of the land.

Mr. GRONNA. May I ask the Senator during what year that was?

Mr. WALSH. Last year; 1912.

Mr. GRONNA. I was simply going to say to the Senator that in the locality where I live we can not get breaking done at that price. If I understood the Senator correctly, he said the breaking was done for $2 an acre.

Mr. WALSH. Only on the condition that he could crop the land on the terms he offered, the ordinary price being $3.50.

Mr. GRONNA. In the case of land which has formerly been broken, we are paying for plowing this year from $2 to $3 per acre.

Mr. WALSH. Of course, I am giving the actual figures here of an actual transaction. The correspondence I have here in my files.

The man who did the work seems to have been quite satisfied with his returns, for he took the contract to break and crop the remainder of the unbroken ground and to work that already broken for one-fourth the crop, he to provide everything and pay all expenses. If the equivalent of the flax crop of last year be returned this year in other grain, she will get $3.90 per acre, or about 22 per cent on the price of the land. But that was a big yield she got—better than the average of North Dakota for last year, which was only 9.7 bushels to the acre. It would not be extraordinary at all in Montana, whose average yield last year was just what she got—12 bushels. But even if she does as well this year as the average of last year, she would make better than 17 per cent on her money, and if the crop should be as near a failure as it was in 1911, when the average was 7.6 bushels, she will make 14 per cent. And even then the man who works the place will come out even, for his share of the crop will bring him $7.41 an acre; and extensive experiments, reported in Bulletin 73 of the Department of Agriculture, show that flax is raised in Minnesota at an average cost of $5.314 per acre, exclusive of land rentals, and $6.514 on $20 land, figuring 6 per cent on the land value.

The farmer "should receive for his wheat at least, per bushel, $1.40; for his flax $2," the distinguished Senator says in connection with professions of his capacity to speak from personal experience and study. I can assure anyone interested that he can come to Montana and grow rich on wheat at 80 cents and flax at $1.25, though I hope as sincerely as the Senator possibly can that he may get even better than $1.40 for the one and $2 for the other.

I have said thus much, and perhaps tediously, because I felt that the general circulation of the speech of the Senator in his State and others adjacent would have a tendency to deter some from coming to our State to help us develop its rich resources or prompt them to choose rather to swell the tide of emigration which, to our reproach, has in recent years rolled across the boundary to the Canadian northwest.

What is the complaint, Mr. President, that is made in respect to flaxseed? What is this terrific blow that has been dealt the farmer of the Northwest? The duty has been reduced from 25 cents a bushel to 15 cents. And it is this that is to carry desolation to the already gloomy fireside of the poverty-stricken farmer, brought to the verge of ruin by eight-hour legislation and similar oppressive enactments.

The Montana farmer will get along handsomely with an advantage of 15 cents over his Canadian competitor, however it may be with his North Dakota neighbor.

I believe with Thomas Jefferson that "cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country and wedded to its interests by the most lasting bonds."

I have trespassed to some extent upon the patience of the Senate lest silence should be construed into an indorsement of a mendicant plea uttered on this floor in the name of those who have brought distinction to my State in the pursuit of this eminently honorable calling.

I should quit the subject of flax here were it not for another distressful cry sent up in this remarkable address, characterizing not only the spirit in which it is made, but, in a lesser degree, much of the criticism that has been leveled against this bill. I refer to that part of it which arraigns the Democratic Party for putting flax tow on the free list, pursuant to the policy of the bill to free list the raw material of all fabrics—cotton, wool, flax, and hemp. This is taking the black bread of poverty from the mouth of wasted hunger. I quote his language from the RECORD:

> From the best information I can secure I am convinced that free tow of flax will close every tow mill in the country and thereby render worthless every ton of flax straw raised in the United States, amounting, I believe, to about 8,000,000 tons.

That amuses, I see, his colleague. And well it may.

Why, the manufacture of tow in this country, Mr. President, is so inconsequential as that it finds no place in the census reports.

There are a few small mills in the State of Minnesota, the fiber product being used for upholstering and similar purposes, but the output is inconsequential and the price paid so trifling that the straw will not stand shipment any distance. The lady to whom I referred wrote to her agent at Fessenden about the possibility of disposing of her flax straw. He answered:

> As to flax straw, will say that our farmers burn it. Of course there is less flax raised here every year, but at the same time the acreage amounts to quite a little, but probably not enough to warrant anyone in putting in a flax-fiber mill. I talked this matter over with Mr. Brinton (the lessee) to-day, and he had in quite a few acres of flax besides what he had sown on your land. He told me that he wrote several mills and that their quotations were all about the same. He said that he remembered that the Union Fiber Co. of Minnesota offered him $4.40 per ton f. o. b. Fessenden. He said he figured out what it would cost for baling, labor, hauling, freight, etc., and that it would amount to $3.50 or $3.75 per ton. And he said that no money could be made at that rate. He said he believed, however, that the large expense of preparing the flax straw for shipment was due to the poor facilities for handling a proposition of that kind.

Now, if it be true, as asserted and as seems to be the case, that even where there is a market at all, the price flax straw will command is just barely enough to pay for hauling to the mill, how can it be possible that tow mills will be driven out of business, as the Senator from North Dakota says he is informed will be the case, by the removal of the duty from their products? Can it be hauled any more cheaply in Canada or the mill be operated any less expensively there? They send their wheat to Minneapolis to be milled because it can be done more cheaply by reason of the power there. Is not this straining to the bursting point and beyond in order to discover something with which to find fault? I may say in passing that my information is, as the conditions suggest, that the duty on flax tow is merely nominal in the case of the product of straw which has been allowed to mature in order to produce seed.

A huge conspiracy between the brewing interests on the one side and the Democratic Party on the other to fleece the farmer is scented in the paragraph reducing the duty on barley from 25 cents to 15 cents a bushel. The junior Senator from South Dakota, in the course of his thoughtful address delivered some days since, counseled a reduction in the duty on barley, proposing 20 cents instead of 15. Is it to be understood that he, too, is involved in the conspiracy referred to, or are we to infer that he has entered into one of his own? Is not 15 cents a sufficient margin upon which to permit the American farmer to compete with the Canadian in barley, a grain the average farm price of which on December 1 last was 50.5 cents a bushel, and never went beyond an average of 86 cents on that date, assumed to be in the marketing season, in 20 years?

Mr. GRONNA. Mr. President, I do not want to interrupt the Senator, but the Senator in quoting the average price of barley of course gets his figures the same as the rest of us get them, from reports. However, the Senator from Montana knows that the farmers of his State or of my State receive no such price as he now quotes. I myself sold thousands of bushels of barley last fall at 32 cents a bushel.

Mr. WALSH. The point I am making is that this is the average price throughout the Union. Of course, we out there, contending against enormous freight rates, do not get even this much. I undertake to say that out in our country we do not ordinarily get more than from 30 to 50 cents a bushel for barley, upon which we are protected under the bill now before the Senate 15 cents a bushel.

Mr. GRONNA. But, if the Senator will permit me, it is not only the freight rate but it is the combination which we have in the country which buys our barley. It is true that the farmer of this country is in the hands of the American brewer when he comes to sell his barley. It is true that the farmer, even with the protection, has not received the price for his barley that he is entitled to. It is also true that in years with a short crop he has received the benefit of the full amount of the duty of the present law—30 cents a bushel. But in years when we have had a large surplus he has not received the benefit of the full amount.

Mr. WALSH. Why, it was shown by the testimony of a witness as well qualified to speak as any man in the United States, Prof. A. E. Chamberlain, formerly with the Agricultural College of South Dakota, on the hearing before the Senate Finance Committee on the reciprocity bill, a witness produced to combat that measure, that the difference in the cost of producing a bushel of barley in this country and in Canada is only 5 cents. (Vol. 1, Reciprocity with Canada, 117.)

Bear in mind that is the difference between the average cost throughout both countries. I am not prepared to admit that they raise barley any cheaper anywhere in Canada than we can in Montana. The lessened cost there arises from their greater average yield per acre, but they get only 30 bushels per acre, while our average for 10 years is 34.61.

Upon what theory does the Senator base his complaint of a duty three times the difference in the cost of production here and abroad, or is he not a subscriber to the doctrine that such difference should measure the rate of the duty? Is his address to be taken seriously, or is it to be regarded as a piece of humor, more or less embittered by the political revolution in consequence of which he finds himself in the minority?

I have no disposition to open up the discussion precipitated by the reciprocity measure, as to whether the farmer derives any more benefit from a duty on wheat than he would on corn or cotton, all of which are among our leading exports, but simply append, in answer to the figures he submitted showing that wheat prices ruled higher in Winnipeg, at times, than in Minneapolis, a table indicating how they have ranged throughout the present year, from which it will appear that since the 1st of March the advantage has been decidedly with the Winnipeg market. Without reading this, Mr. President, I will ask leave to have it printed as an appendix to my remarks.

The PRESIDING OFFICER (Mr. PITTMAN in the chair). The Chair hears no objection. [See Appendix 1.]

Mr. CRAWFORD. I am not sure that I got correctly the last statement of the Senator. Was it that the Winnipeg market with reference to barley was more favorable to the farmer than the Minneapolis market?

Mr. WALSH. With reference to wheat.

Mr. CRAWFORD. Oh, it was wheat. I thought it was barley.

Mr. WALSH. In the general catastrophe in which the northwestern farmer is to be involved, as the Senator prophetically sees him, the sheep and wool raiser is to disappear utterly. That he may survive has not entered into the calculation of the Senator at all. True he does not trouble himself with particulars or proof; he contents himself with stating the fact. Possibly he does not feel that degree of familiarity with the details of the subject as he enjoys in respect to flaxseed. Anyway, he advises the Senate that though raw wool carries a duty of 11 cents a pound, the producer "has actually received a benefit of from 7 to 9 cents." He does not deem it necessary to give any authority for this statement. If it were true, his predictions of calamity to this industry might be verified. But it is not true, I am happy to state. The tariff never did increase the price of wool to exceed 4 cents a pound, according to Judge William Lawrence, president of the National Woolgrowers' Association, in an address to that body delivered in 1897, or 5½ cents, according to Hon. Fred Hagenbarth, also president of the same association, in his annual address for the year 1911. In the course of the debate on this floor on the Underwood wool bill, coming here from the House during the Sixty-second Congress, my predecessor, Hon. Joseph M. Dixon, on July 12, 1911 (CONGRESSIONAL RECORD, p. 2860), stated that the difference in the price of raw wool in Boston and in London was then and for six months had been no more than 2 cents per pound. He attributed the approximation of the price in the two markets named to the agitation for free wool, a contention that is disproved by the following table of wool prices that have prevailed in Montana for the past 10 years, taken from the last report of the bureau of agriculture of that State, page 167:

| | Cents. |
|---|---|
| 1903 | 14.50 |
| 1904 | 15.00 |
| 1905 | 21.00 |
| 1906 | 20.00 |
| 1907 | 21.00 |
| 1908 | 15.00 |

| | Cents. |
|---|---|
| 1909 | 20.00 |
| 1910 | 18.00 |
| 1911 | 17.00 |
| 1912 | 20.50 |

The current price for 1911 was only 1 cent per pound lower than that which prevailed in 1910, but it was 2 cents higher than that received in 1908. It is not unlikely that the pendency of the tariff bill was utilized by the buyers to drive a better bargain, just as it is this year. In fact, the risk of tariff legislation has been used to bear prices to such an extent that many well-informed growers insist that prices are now on a free-wool basis. Such was the opinion of the Hon. William Lindsay, United States marshal of our State, an exceptionally well-informed student of wool prices and an extensive grower, expressed in an interview given out at the opening of the present season. I ask to have it read from the desk as it appears in a newspaper account thereof.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

OPTIMISTIC VIEW OF THE WOOL MARKET.

HELENA, *April 14*.

"Considering the conditions of the trade, the conditions of the clip, and the decreased number of sheep there are in the United States I do not expect to see the price of wool go lower than it has been for the last three years," said United States Marshal William Lindsay to-day. Mr. Lindsay is one of the largest sheepmen of the State.

"Prices for the last three years have been down to a free-wool basis," he continued, "and for this reason sheepmen should not be influenced by any change in the tariff. They should not allow the arguments that the wool buyers will advance to cause them to accept any lower prices than they have been getting.

"The wool lofts in the East are empty, the manufacturing plants are pretty well employed, and conditions generally are such that prices should not go lower.

"It should not be forgotten either that everybody looked for raw hides to drop when the tariff was removed. Instead, however, the prices of hides advanced, and so did the price of shoes."

Mr. SMOOT. Will the Senator yield?

Mr. WALSH. Yes.

Mr. SMOOT. Does the Senator say that the price of wool in Western States is as high as it was last year?

Mr. WALSH. I do not say so.

Mr. SMOOT. I thought the Senator did in his statement.

Mr. WALSH. I am going to reach that in just a minute, when I will answer the Senator's question.

Mr. SMOOT. Then I wish to ask another question. Does the Senator think the manufacturer will buy wool to-day upon any other basis than free wool when he knows that there will be free wool within a month or so?

Mr. WALSH. Of course, I do not undertake to say what he will do.

Mr. SMOOT. The Senator knows that whenever a manufacturer buys wool in the grease by the time he buys it in the Western States and gets it into the factory and puts it through the factory into cloth six months will have elapsed; that is true, is it not?

Mr WALSH. Of course, I am not entering into a general discussion of the wool question. I am simply presenting and having read at the desk the views of a very prominent woolgrower of my State, a Republican Federal official, a very excellent gentleman, for whom I entertain the very highest regard, and I am giving you his idea about the matter.

Mr. SMOOT. I wish to say to the Senator that last year there was a shortage in the wool crop in the world of over 240,000,000 pounds. That is why wools are so high in the world to-day. But wait until the normal conditions come back.

Mr. WALSH. Of course, the Senator is venturing upon a prediction.

Mr. SMOOT. Then I will ask if the Senator does not know that when normal conditions return the wool prices of the world will be less than they are this year?

Mr. WALSH. I was going to advance some ideas a little later on which will indicate the view I have that the prices will not be any lower than they are now.

Mr. SMOOT. The only way, of course, that that could possibly happen would be that there would be a shortage of the wool crop in the world; and last year there was a shortage of the wool crop of the world of over 240,000,000 pounds.

Mr. WALSH. Recently Hon. Charles Williams, the president of the Montana Woolgrowers' Association, addressed an open letter to the members of that organization counseling them to hold their clips for 20 cents, and asserting that the market conditions entitle them to that price.

Mr. President, as the article is somewhat long, I do not like to detain the Senate with reading it, but will content myself with reading the heading of the article:

Montana wool should bring 18 to 20 cents.—C. H. Williams, president of Montana Wool Growers' Association, issues statement.

I ask that the same be printed as an appendix to my remarks.

The PRESIDING OFFICER. If there is no objection, that will be done. [See Appendix 2.]

Mr. WALSH. Few have realized as much as 20 cents, but an unusually large quantity has been shipped on commission in the expectation of obtaining approximately that amount. Three companies with which I am associated were offered 17 cents, but declined and consigned. Two of these clips brought 20 cents last year, and the third 19. If we realize 18 cents we shall receive approximately the average price of the last 10 years and from 2 to 3 cents more than the prevailing price when I went into the business in 1903 after the Dingley law had been in force six years.

It is growing more and more expensive to run sheep in the West, because of the narrowing of the range. Great areas devoted exclusively to pasturage only a few years since and regarded as valueless except for such use are now cultivated farms. Owing to that condition, more or less prevalent throughout the West, our flocks are being rapidly depleted. We are losing a quarter of a million annually in Montana, and the number of sheep in the Nation is diminishing, as indicated by the following figures from the last Yearbook:

*Number of sheep in United States.*

| | |
|---|---|
| Jan. 1, 1910 | 57,216,000 |
| Jan. 1, 1911 | 53,633,000 |
| Jan. 1, 1912 | 52,362,000 |
| Jan. 1, 1913 | 51,482,000 |

The high-water mark was reached in 1903, when we had 63,965,000. Since then we have lost practically 12,500,000 head, while our population has increased in round numbers 14,500,000, or 18 per cent.

Our sheep have been going, in numbers increasing annually, to the slaughtering pens, the Crop Reporter for February, 1913, giving the following numbers absorbed by the principal stock markets. In—

| | |
|---|---|
| 1909 | 10,284,905 |
| 1910 | 12,406,767 |
| 1911 | 13,556,108 |
| 1912 | 13,743,843 |

New South Wales suffered a loss of 6,000,000 head last year, according to official figures, as a result of a drought. The depletion of our western flocks because of the absorption of the range will continue in all reasonable probability at an accelerated rate for some years, until eventually the industry will be confined to localities adjacent to the mountain pasturage. There is bound to be a dearth of mutton in a few years, if not of wool. Those obliged to retire from the business by the advancing settlement of the country more than recoup their losses by the increasing value of their land holdings. Those situated so as that they can remain in the business have every prospect of reasonable returns, as mutton prices are bound to advance with the curtailment of the supply. Sympathy over the deplorable plight of the sheep grower is altogether gratuitous. He is not asking it. Give him a law which will prevent the fraudulent dealer from imposing upon the public by palming off as a pure-wool fabric of original manufacture from the long fiber goods that are largely cotton or the product of renovated rags, shoddy, or other waste; give him free access to the public range, the mountain pastures with their sparse herbage which becomes a menace to the forests unless grazed, and he will ask no odds.

The world price, fixed by the London sales, protects him against any such loss as attended the industry when the experiment of free wool was last tried in the midst of financial disturbances and business depression that involved and overwhelmed the Old and the New World alike.

The duty on wool has assumed an importance politically out of all proportion to the significance of the industry in the economy of the Nation. Schedule K has been, as it was denominated by ex-Senator Aldrich, the very citadel of protection. No tariff law, constructed in professed conformity to the teachings of that system, which has gone into force in the last half century, could ever have been passed except by compliance with the demands of those insisting on a duty on wool. The projectors of both the Dingley law and the Payne-Aldrich measure needed the votes of western Senators from woolgrowing States, and got them by conceding all that was asked. Patriotic Republican Senators inveighed against this schedule on the passage of the bill, and a Republican President, while commending the act as a whole, denounced this particular schedule as indefensible—a commentary that the stoutest defenders of Schedule K when it was in process of enactment will not now controvert.

Occupying thus the unique position of the keystone in the arch of the protective system, Schedule K suffered in the public estimation, not only because of its own iniquities, but

vicariously for the accumulated villainies of the completed measure of which it formed a part. When the advocates of a wool duty, with a fatuity that must now seem to them incomprehensible, prevailed upon President Taft to veto a relief bill that carried a 29 per cent ad valorem rate the deluge came.

What is there of magnitude in the industry to justify the preeminence it has had in the determination of the fiscal policy of the Government? It has been the dominant influence in controlling the politics of a half dozen Western States. Montana leads the Union in sheep and in the production of wool, and yet our flax crop last year yielded almost as much as our wool—flax returning $6,182,000 and wool $6,870,970, according to the figures given by the Montana Bureau of Agriculture. Four years ago the culture of flax in our State was almost unknown.

Ohio is, and for many years has been, first among the States east of the Mississippi in the production of wool. Its political life has been to no small degree colored, if not fundamentally affected, by the question of a duty on wool. But it produces eggs, to say nothing whatever of poultry, in value more than five times that of its annual wool clip.

Mr. STERLING. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from South Dakota?

Mr. WALSH. I do.

Mr. STERLING. If the Senator from Montana will excuse me, was not the chief objection to Schedule K on account of the tariff on woolens rather than on account of the tariff on wool?

Mr. WALSH. I am sure that that is the case; and it acquired an odium, so far as raw wool is concerned, that was not deserved by reason of that which justly attached to the other end of the schedule.

Mr. CRAWFORD. Will the Senator yield to me just for a word there?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from South Dakota?

Mr. WALSH. I do.

Mr. CRAWFORD. The Senator from Montana has just now referred to the importance of the production of flax in his State, and a short time ago he discussed the production of barley. I desire to call the Senator's attention to the figures taken from the report of the Tariff Board both in relation to the production of flax and of barley in the Senator's State, and comparing the prices with the prices in Saskatchewan, a Province, I think, adjoining Montana on the north. For instance, as to flaxseed, the figures reported by the Tariff Board show the price per bushel for 1910 in Montana of flaxseed to have been $2.40, while in Saskatchewan, the Province adjoining Montana, the price was $2.08, making a difference in the State of Montana of 32 cents.

In the same report with reference to wheat, the price per bushel in Montana was 86 cents and in Saskatchewan 65 cents. I have the table here for wheat and flax, but not the figures as to barley in this table, except that in the report of the same board giving the differences in price, they say that from the year 1900 up to 1909, the Chicago price as compared with the Winnipeg price was in favor of Chicago from 1 cent to 46 cents; and that during half of the time the difference in favor of Chicago would average above 13 cents. Now I ask the Senator whether, in view of those figures, he does not think it is better for Montana, as well as for that entire agricultural region, to preserve this discrimination?

Mr. WALSH. Of course, Mr. President, the Senator from South Dakota will scarcely ask me to undertake to answer that question without an opportunity to analyze those figures which he quotes.

Mr. CRAWFORD. They are from the report of the Tariff Board.

Mr. WALSH. I shall be very glad to consider them at the proper time. I was not arguing that matter at all, but I was endeavoring simply to combat the proposition that this thing means ruin to the farmers; that is all. Whether the farmer does actually obtain the benefit or does not obtain the benefit is aside from the purpose of my present argument.

Mr. CRAWFORD. I do not think the contention is that this proposed action will necessarily ruin the farmer; but it will certainly injure the farmer and destroy a discrimination in his favor that is as marked as these figures show.

Mr. WALSH. Of course I do not now undertake to answer those figures at all.

I was discussing, Mr. President, the relative importance of flax and wool in the State of Montana. The distinguished senior Senator from Utah, whose profound acquaintance with the details of the tariff schedules has awakened my admiration, has heretofore been disposed to regard as sacrilegious any assault upon Schedule K, whose valiant champion he became when a revision of the tariff was last attempted. If eggs bring 30 cents a dozen in his State—and you can never buy them for less in mine—the hens of Utah contribute of that product an aggregate in value two-thirds of that of the wool shorn from its sheep.

Mr. SMOOT. Mr. President, I take it for granted that the Senator from Montana does not impute to me——

Mr. WALSH. Responsibility for the hens?

Mr. SMOOT. No; belief in a protective tariff in case it only benefits my State.

Mr. WALSH. Certainly not. I simply spoke of this——

Mr. SMOOT. I am a protectionist in every fiber of my soul. I believe in protection to every section of this country. I offer no apology for it. I believe just as surely as I believe that I am alive that it is for the best interest of this country. I am glad to say that I am for protection for Arizona, for Utah, for New England, for the South, for every section of this country. It makes no difference to me whether it is wool or whether my State raises wool or not; I care not for that.

Mr. WALSH. I was simply selecting the Senator's State because it happened to produce about as much from hens as from sheep. It is quite time that the destinies of a great Nation should cease to be turned in accordance with the demands of an industry important to individuals, of course, but relatively painfully inconsequential.

We have listened to predictions of ruin to the beet-sugar industry in consequence of the provisions of the pending bill, should it become a law, since the first day it appeared before us, and probably shall not hear the last of them until the consideration of it closes. Many of these are made as unreflectingly as those that voice the dark forebodings as to barley and flax straw. More are but the echoes of the threats uttered by the sugar lobby to coerce concurrence in their greedy purpose so richly satisfied in former tariff acts.

The duty on sugar has become particularly odious owing to a combination of circumstances with which the public is familiar. The Sugar Trust was the prototype for the gigantic combinations that have become offensive by reason of their contempt of the law and their monopolization of industry. Its despicable thievery from the Government by false weights gave a character to every enterprise with which it happened to be associated of the most unenviable nature. Its jugglery with the Wilson bill is remembered with execration. The sugar interests got what they asked in the Dingley Act, and then proceeded immediately to capitalize the extortion it permitted, launching beet-sugar companies with stock representing a modicum of money and a profusion of water.

They have for more than 20 years maintained at Washington a most industrious and efficient lobby to resist every measure, however patriotic its purpose, that might have any tendency to interfere with the tremendous subsidy the laws accorded them. Every change, if they were to be believed, spelled ruin to the beet-sugar industry. We wanted Hawaii for purposes of national defense. They acclaimed that it meant ruin to beet sugar. This prophecy was vain.

Mr. BRISTOW. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Kansas?

Mr. WALSH. I do.

Mr. BRISTOW. Let me inquire what was the production of sugar at the time we acquired Hawaii?

Mr. WALSH. I have not the figures. It was in 1898, and the production was quite small compared with what it is at present.

Mr. BRISTOW. I thought we had acquired Hawaii long before 1898.

Mr. WALSH. We have had a reciprocal agreement with that country since 1876.

Mr. BRISTOW. Yes; so the acquisition in 1898 did not affect the sugar business at that time, because we had had free sugar for years.

Mr. WALSH. I am simply stating the character of opposition that was offered to the acquisition of Hawaii by the sugar lobby declaring that it meant the ruin of that industry.

Mr. BRISTOW. When we had had free sugar from Hawaii for many years prior to that?

Mr. WALSH. I am not responsible for any inconsistencies there may have been in the argument. I shall quote the testimony of the head of it concerning his attitude with respect to the matter.

Mr. BRISTOW. And certainly arguments like that would have no influence with intelligent men, and it seems to me would hardly be worthy of the Senator's recognition in a very able argument, such as he is now making.

Mr. WALSH. The Senator did not do me the honor to remain and has not had an opportunity to follow the course of the discussion. I have no doubt in the world that he was taken away by important business; but I have simply been addressing myself to the claim of the threatened destruction to the beet-sugar industry, and I have been endeavoring to trace a large portion of it to the lobby maintained here in its interest; that is all.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Montana if he does not believe that free sugar will destroy the local production of sugar in this country?

Mr. WALSH. I do not think it will destroy it in the State of Montana, if the Senator desires to ask me that question.

Mr. SMOOT. The Senator does not think it will destroy it in Montana?

Mr. WALSH. I do not think so at all.

We incurred an obligation to Cuba in which the national honor was involved and undertook to repay it by a reciprocal trade agreement. Again ruin impended, but the prophets of evil proved false prophets. The Philippines alone of all our territories and possessions were excluded from our markets. It was proposed to admit 300,000 tons of sugar from them free, and again the representatives of the Nation were told that the beet-sugar industry would be blasted. It has remained reasonably healthy, and it is believed in Montana to be paying splendidly on the money invested.

In fact, the magnificent beet-sugar factory in that State has paid so well that the handsome profits it has been able to make have never been given publicity. In all the literature the company conducting it has issued, it has studiously refrained from advising the public just how much it has been making. If it were not asking for legislation to enable it to obtain a reasonable return on the money invested the public would, perhaps, have no proper concern in its profits. Asking the people generally to burden themselves with a tax in order that it may exist, it ought to be quick to disclose what advantage it enjoys under the concession now granted the industry.

Mr. SUTHERLAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH. Certainly.

Mr. SUTHERLAND. The Senator, in answer to a question put by my colleague, thought that the sugar industry in Montana would not be injured by the proposed legislation.

Mr. WALSH. I would not like to have the Senator understand that by that I mean they will continue to make as much profit as they have been making.

Mr. SUTHERLAND. The Senator, then, thinks they will not make as much profit?

Mr. WALSH. Certainly.

Mr. SUTHERLAND. But the Senator thinks they will make a sufficient profit?

Mr. WALSH. Yes.

Mr. SUTHERLAND. Let me ask the Senator how many sugar factories there are in Montana?

Mr. WALSH. One.

Mr. SUTHERLAND. One. The possibilities of the production in Montana have, of course, not been reached nor anywhere near reached?

Mr. WALSH. Certainly not.

Mr. SUTHERLAND. Does the Senator think that the promise of free sugar will have any tendency to prevent the building of new factories and the investment of further money in that industry?

Mr. WALSH. Frankly I should say that it would.

Mr. SUTHERLAND. Does the Senator not think that that would be an unfortunate thing?

Mr. WALSH. It would be unfortunate, as a matter of course, for those immediately benefited. As to whether it would be an unfortunate thing for the people of the country at large is a question quite aside from the purpose of my discussion.

Mr. SUTHERLAND. Does not the Senator think it would be an unfortunate thing for Montana, for Utah, for Idaho, for Oregon, and for all those States which are peculiarly adapted to the raising of sugar beets, if the growth of this industry should be checked?

Mr. WALSH. Of course, the Senator will understand that it was not my purpose at this time to discuss the merits or demerits of the tariff. I am simply endeavoring to confine myself to an inquiry to meet the charges of ruin—that is all; and I must refuse to enter into a general discussion at this time with the Senator on that question, which, of course, will be thoroughly canvassed when Schedule E is reached.

Mr. SUTHERLAND. Of course I would not ask the Senator these questions or any questions if he is unwilling that I should do so; but I was anxious to have the Senator's view upon that matter, as to whether or not the placing of sugar upon the free list, in the Senator's opinion, would have the effect to greatly retard the development of that industry in those States?

Mr. WALSH. I have not the slightest doubt in the world that it will.

Mr. SUTHERLAND. Of course, whatever may be said of the remainder of the country, it would certainly be injurious to those States.

Mr. WALSH. Injurious is another thing. I have canvassed a little later on in my discussion just about what it costs us, and it is a question of balancing cost against benefit.

Mr. SUTHERLAND. In view of the Senator's answer upon that matter, let me ask the Senator another question. Does the Senator think that the effect of placing sugar upon the free list will be to reduce the retail price of sugar?

Mr. WALSH. I have not the slightest doubt of it. It appears to be universally conceded that it will, at first at least.

Mr. SUTHERLAND. To what extent does the Senator think it will?

Mr. WALSH. I shall likewise discuss that later on.

What is the subsidy it now enjoys, or that part of it contributed by the people of Montana? The duty on Cuban raw sugar is now $1.34 per hundred. Under free sugar the price will drop that amount, or, say, $1.25. Each individual in the United States consumes annually 80 pounds of sugar. If the price is reduced as suggested, he saves just $1 annually on his sugar bill. If there are 500,000 people in Montana, the State is paying $300,000 annually to keep up the sugar-beet business. It is said, however, that of the total of 80 pounds annually assigned to each individual of the total consumption of sugar in this country all but 54 pounds goes into the preparation of articles of food, like preserves and canned goods, the price of which will show no reduction. But even if that were admitted, Montana is to-day paying more than a quarter of a million as a subsidy to the beet-sugar factory. If it were proposed to levy a tax by our legislature of $250,000 annually to subsidize beet-sugar factories in the State, I apprehend no public man would lend the idea the least countenance, nor would there be the slightest prospect of its adoption by our State government, even though it had the power constitutionally to levy such a tax.

Mr. STERLING. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from South Dakota?

Mr. WALSH. Certainly.

Mr. STERLING. Do I understand the Senator to say that each individual in the United States consumes 80 pounds of sugar a year?

Mr. WALSH. That is the estimate.

Mr. STERLING. Each individual?

Mr. WALSH. Each individual.

Mr. STERLING. Does not the Senator mean that that is the average consumption throughout the United States?

Mr. WALSH. That is the average consumption, certainly.

Mr. STERLING. That includes not only sugar consumed in household use in the ordinary way, but it includes the sugar manufactured into candy, and so forth.

Mr. WALSH. I have so stated.

Mr. POMERENE. It is consumed nevertheless.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH. Yes; but I should like to get through.

Mr. SMOOT. If the Senator objects, I shall not interrupt him.

Mr. WALSH. Not at all.

Mr. SMOOT. I wanted to call the Senator's attention to the fact that in 1911, when the beet sugar of this country was disposed of early in that year, all of the sugar, not only that used in Montana, but in other Western States, was furnished by the sugar refiners of this country. The people of Montana then were placed in a position where they will be placed when the production of sugar in this country ceases. The sugar refiners of this country in 1911, because of the fact that the sugar produced in this country had been exhausted, advanced the price of sugar to 7¾ cents a pound, and it remained at that figure until the beet-sugar production of this country came upon the market. During those three months the people of this country paid to the sugar refiners over $20,000,000 of extra profit.

Mr. WALSH. Of course, the fact of a rise in the price of sugar at that time and its subsequent depression is perfectly well known. It has been stated in the discussions here time and again.

Mr. THOMAS. It was due to the law of supply and demand.

Mr. SMOOT. But there was no shortage of sugar in Russia at that time, and had it not been for the fact that the sugar

of the world came under the control of a powerful organization located in Germany, which would not allow the Russian sugar to come into this country, there would not have been a shortage, nor would there have been a shortage all over the world; but on application to Russia to ship sugar into this country, they were allowed to ship a limited number of tons and no more.

Mr. WALSH. If I may be permitted to interrupt the Senator for a moment, I am now simply considering how much it costs us. It does not cost us any more or any less because of the facts stated by the Senator from Utah. Of course that is a consideration that might be urged as an offset to the burden of the tax—that is to say, that it might be claimed there is some compensation for it—but I am simply talking now about how much of a tax it is upon the people of the State of Montana.

Mr. SMOOT. The Senator must understand that the people of Montana would not save this tax if they were under the control of the sugar refiners, who would charge them even more than the tax.

Mr. WALSH. If they were under the control of the sugar refiners, if there was no beet sugar produced in this country at all, and the Sherman law would permit the sugar refiners to combine and fix prices, as a matter of course the people of Montana would be under their control. I shall refer to that now.

It is but just to say that the advocates of the duty maintain that by its removal the domestic industry will be destroyed and then the importers will by concert raise the price in the absence of competition. But the answer to that argument is, first, that the beet-sugar industry will not be destroyed. That suggestion, in view of the history adverted to, has lost its terrors. It has been used too often. The second answer is that there are going to be no more combinations organized in palpable violation of the Sherman Act. Its penal provisions have begun to alarm.

I listened with the keenest sympathy a few days since to the recital by my esteemed friend the junior Senator from South Dakota [Mr. STERLING] of the hopes of the people of his State for the establishment there of the beet-sugar industry, for which its soil and climate are highly adapted. But has the Senator stopped to count the cost? His State has a population of over 600,000 souls. Is he willing to take the stump and advocate before his people, should Congress withdraw the aid it now extends, that they tax themselves to the extent of $300,000 annually and turn the amount over to such companies as shall construct and operate beet-sugar factories in South Dakota?

Mr. STERLING. Mr. President, I hardly understand the Senator's allusion and the reason why he says the people of South Dakota would be taxed $300,000.

Mr. WALSH. The Senator from South Dakota in the course of his address the other day spoke of the hope of his people of the establishment among them of sugar factories.

Mr. STERLING. I did not understand the Senator's first allusion.

Mr. WALSH. The question I propound to the Senator is, Suppose now that Congress does pass this law and withdraws the aid accorded by the existing law, is the Senator willing to go upon the stump in his State and advocate that his people tax themselves to the amount of $300,000 annually and turn that over for the support of the sugar factories in his State?

Mr. STERLING. Does the Senator mean by that the additional cost of sugar that there would be to the people of my State?

Mr. WALSH. I have figured out that that is what it costs your people.

Mr. STERLING. In the first place, Mr. President, I think the Senator in making the statement that it will cost $300,000 additional to the people of my State assumes facts not proven. I will say further, in answer to the Senator, that that which will bring diversity of industry to my State, which is engaged largely in the raising of corn, wheat, oats, and flax, will be of great benefit to the people of that State. It may be that they will pay for sugar the price they are paying now without any reduction, yet the advantage and the benefit it would be to the State of South Dakota in the end to have this diversity of industry would more than counterbalance any additional amount they have to pay, or more than counterbalance the present price they are paying for sugar.

I think the Senator admitted a while ago in the course of his argument, in answer to a question, that the placing of sugar on the free list would prevent the establishment of any beet-sugar factories in the State of South Dakota. Anything that will prevent the establishment of an important and valuable industry like that, as I have said, will be in the end an injury to the people of South Dakota, a State whose soil and whose climate are adapted as well as that of any State in the Union to the raising of sugar beets.

Mr. WALSH. As indicative of the spirit that ordinarily actuates the beneficiaries of tariff legislation, it might be noted that one C. S. Morey, president of the Great Western Sugar Co., which owns the stock of the Billings Sugar Co., being asked before the Hardwick committee what reduction in the present duty on sugar might properly be made, replied that the beet-sugar business could stand no reduction. For the sake of accuracy, I quote his testimony:

Mr. MALBY. Something has been said with respect to the effect upon the beet industry in case of the repeal of the present tariff. Is that found to be advantageous?

Mr. MOREY. We could not live without the present tariff. I do not believe there would be a beet factory in the United States if the tariff were removed. That is my honest opinion.

Mr. MALBY. Is the industry sufficiently established, in your judgment, so that it could operate successfully and profitably by any considerable reduction in the tariff?

Mr. MOREY. No, sir; I think not.

Mr. MALBY. Your idea about it is that if the beet industry is to be preserved that you require a tariff?

Mr. MOREY. Yes, sir.

Mr. MALBY. Equal to the present one?

Mr. MOREY. Yes, sir; we could not stand any reduction and have the business reasonably profitable. The smaller factories can do as well as we can, but we could not make a fair return.

Now, having that item of testimony in mind, I desire to direct the attention of the Senate to certain evidence elicited from Henry T. Oxnard, who for years figured conspicuously in Washington in connection with the beet-sugar lobby that has been maintained here scarcely without interruption for 20 years, given before the committee now by authority of this body engaged in investigating lobbying and lobbyists.

Prior to the passage of the Dingley law, Oxnard, in association with his brothers and certain bankers in New York, had erected and was operating four beet-sugar factories in the West, the title to which was held by four separate companies. Promptly upon the passage of that act he unfolded to the banking house of Kuhn, Loeb & Co., of New York, a scheme of consolidation. He showed them what he had been doing and what he could do in the future in view of the "protection" afforded by the newly made law. The prospect was an alluring one to the financial interests appealed to. The American Beet Sugar Co. was organized with a capital of $20,000,000—$5,000,000 preferred and $15,000,000 common. Kuhn, Loeb & Co. put up all the money that was contributed, $5,000,000, for which they received all the preferred stock and an equal amount of common. The other common stock went to Oxnard and his associates. Four million dollars of the $5,000,000 thus raised were paid for the factories, the remainder being used with the accruing surplus to build two additional factories in 1900. Bear in mind, he did not put a dollar into the enterprise, but got $10,000,000 of common stock. The factories he had owned were bought and paid for at their full value.

The American Beet Sugar Co. has now been operating 15 years. It has paid regularly 6 per cent on its preferred stock. It paid one dividend of 6 per cent on its common stock. It has accumulated a surplus of $2,500,000, and has built the new plants referred to and made betterments, so that it has plants, modern and completely equipped, worth $8,500,000—that is to say, it has added $3,500,000 to its accumulations in that way. In other words, it has actually made, during the 15 years of its existence, just a little less than 15 per cent on the cash capital invested, meanwhile paying a salary of $20,000 annually to its president, $10,000 to Mr. Oxnard, its vice president, and $10,000 more to his brother, occupying some subordinate position. But the interesting part of the story is this: The common stock went on the market at $38 and at one time rose to over $70, indicating that some people believed that eventually regular dividends would be paid on the $15,000,000 of water in the stock—three-fourths of the entire capitalization. Oxnard, knowing the actual conditions, "got out from under." He sold his stock at prices ranging from $15 to $50, according to his testimony before the Hardwick committee; $25 to $35, by his testimony before the Senate committee. In either case the average is $30. So that he actually plucked $3,000,000 out of the atmosphere by this transaction, realized the dream of the alchemist and turned water into gold. Presumably Kuhn, Loeb & Co. were equally provident in respect to their $5,000,000 of common. It is a reasonable inference that they got at least as much as $2,000,000 for theirs; in other words, that the public was fleeced to the extent of $5,000,000 by this particular piece of high finance.

There are still among the Members of this body some who voted for the imposition of the duty that made possible the perpetration of that scandalous transaction—yea, and who spoke for it, in the confident belief that they were performing a patriotic service to their country, endowing an industry that must otherwise perish, fixing a rate of duty that Mr. Morey, in the face of such conditions, asserts must be maintained in order

that it may live. There are more who voted for the continuance of the same rate in the Payne-Aldrich measure, acting from equally worthy motives, but impelled by the same cry of impending ruin to the beet-sugar industry.

To what extent did the conclusions thus arrived at owe their origin to the persuasive powers and arguments of the lobby which, under the name of the American Beet Sugar Association and the United States Beet Sugar Industry has haunted the corridors and committee rooms of the Capitol for 20 years, the moving spirit in it being ever and always the same Henry T. Oxnard, of whose genius for finance the corporation referred to is the product? For some reason, the nature of which the most searching examination failed to disclose, the associated interests operating legislatively under the name of the American Beet Sugar Association for many years took the name two years ago of the United States Beet Sugar Industry. Its activities were in no respect changed, its policy remained the same, but on the change in name two years ago, about the time a Democratic House began looking into things, it occurred to the wizard who directed its energies that the books of the association were a cumbersome burden to it, and he had them destroyed. Of his activities I let this dean of the lobby himself speak:

I have been here for 23 years, Senator. I came here and argued before the Finance Committee in 1890, and not one single Senator that was there in that body is here to-day.

The CHAIRMAN. Every Congress since that time you have been here?

Mr. OXNARD. I have been here on the Cuban reciprocity, fighting that; fighting the annexation of Hawaii, when they started to annex that; fighting the Wilson bill, when that was on, about 20 years ago; Cuban reciprocity; the Philippines—I have been through five tariff bills, the Wilson bill, the McKinley bill, the Dingley bill, and the Payne-Aldrich bill, and I do not know how many more.

The CHAIRMAN. You have exerted all your strength in that direction?

Mr. OXNARD. Every bit; I have brought all of it to bear to develop this industry.

The CHAIRMAN. And you spent all the money you could get?

Mr. OXNARD. All that I could get voluntarily. But I will say this: Not one cent was ever spent in an illegitimate way; not one.

The CHAIRMAN. You have spent a great deal of money?

Mr. OXNARD. I should say, roughly speaking of course, in twenty-odd years, I do not know whether it is $10,000, but I think perhaps we spent $60,000 during the Cuban reciprocity, and Mr. Havemeyer or Mr. Donner told me that the trust spent $750,000 on the opposite side of the question at that time. (Lobby Inquiry, pp. 1188–1189.)

Without the aid of the books recording the amounts spent under his direction, he was unable to speak with accuracy, of course, but on reflection the amount stated by him as having been annually expended appeared to him altogether too low, and he changed his estimate to $20,000, whereupon he was asked, touching the aggregate sum that he had disbursed in 20 years:

You think, in round numbers, it would be half a million dollars?

To which he answered:

Somewhere in that neighborhood.

Appreciating the force of public opinion it did not content itself with presentation of the statistics compiled and briefs prepared to Members of Congress. It got wide circulation through "boiler plate" and "canned editorials," furnished gratis to the press throughout the country for articles more or less attractive in matter and style, all pointing to the wisdom of a high duty on sugar. These articles appeared as emanating from the usual news-gathering sources or as the expression of the views of the editor upon the topics to which they related.

A regular campaign was inaugurated to "place" these convenient "fillers," a skilled expert writing to the man in the field thus:

CINCINNATI TIMES-STAR,
*Washington Bureau, October 23.*

Mr. C. C. HAMLIN,
*Colorado Springs, Colo.*

MY DEAR CLARENCE: Yours of the 18th to hand this morning. You will have mine of yesterday, probably, before this reaches you, so have an idea of what I am doing here. I trust the clippings meet with your approval. My idea of your needs in this cause is that you should gradually hammer into the public intelligence not so much a loud demand for higher tariff or no tariff tinkering, but the conviction that the beet-sugar industry is an American institution of tremendous importance to the West and Middle West; that all good Americans should do their utmost to help it along; and that there is big money in it for every man that plants a beet. As soon as this percolates through their skulls not an M. C. west of the Hudson will dare vote for a tariff reduction * * *.

In your hotel interviews around the beet-sugar States or the potential beet-raising States it seems to me it would be an excellent idea to say that you are in town to consult a number of prominent men with a view to acquiring a tract of land to go into the beet-raising business. Every paper thereabouts that goes in for local "improvements" will editorialize to beat the band, and almost before they know it they'll be planting beets and making them into sugar—on paper, anyway. You can get all the newspaper space you want if you only give the papers something they think will make a hit with their readers' pockets.

Just about this time it seems to me we ought to get a good deal of space in the Sunday papers—the magazine sections—if we go after them. Have you any real good pictures of the process from seed to granulated? Pictures of the work in the fields, the gathering, shipping, transportation, slicing, etc.? If you have, send me, say, 15 or 20 sets and I'll write a story, duplicate it, and send it to as many papers, beginning, say, at St. Louis and traveling west and north to the coast. If I inclose a note to the Sunday editor telling him that he can have the story and pictures gratis, I'll guarantee that we can land three-fourths of them.

Ever,

R. H. HAZARD.

(Lobby inquiry, 1438–9.)

Generous contributions were made to meet the expenses of the annual meeting of such associations as the Irrigation Congress or the Trans-Mississippi Congress with a suggestion, usually effective, to those in charge of the arrangements of the propriety of a resolution "boosting" the beet-sugar business. The following letter will illustrate:

NOVEMBER 6, 1911.

Mr. W. A. DE RICQLES,
*Denver Club, Denver, Colo.*

DEAR DE: Herewith check for $500, being our contribution to the stockmen's convention.

I have taken up the matter of securing a suitable man to deliver a paper and will put you in touch with him as soon as possible.

We will prepare such resolutions concerning the sugar industry as we think should be adopted, and will depend upon you to see that this matter is attended to. I should have given you this check before leaving Denver, but was crowded for time.

C. C. HAMLIN.

It prosecuted diligently the device of deluging Senators and Congressmen with letters and telegrams from their constituents, calculated to impress them with the idea that a powerful sentiment prevailed in their respective States or districts to which they might deem it wise, considering their political future, to defer.

It provided for the convenient use of such statesmen as cared to avail themselves of opportunities so afforded elaborate tables of statistics and other like matter calculated to exercise a persuasive influence in debate or to afford justification to the country for a predetermined plan of legislation.

Another line, related in character, in which it specialized is exhibited in the following letter, which fell into the hands of the committee:

AMERICAN BEET SUGAR CO.,
*Rocky Ford Factory, July 15, 1908.*

(Frederick Wietzer, manager.)

DEAR MR. PALMER: I have a letter from Mr. Morey, in which he says that Mr. Gove will go around trying to educate Congressmen. Will you please give Mr. Gove any data or statistics he may desire? I believe you have already supplied him with some. I think Gove an excellent man, and he can help us. It would be different if it was Hathaway. I am off to California to-night.

HENRY T. OXNARD.

(Lobby hearing, p. 1416.)

It was suggested to this instructor of Congressmen that some exacting official was complaining about his expense account. He was accordingly admonished mildly to itemize the same, but the task was made easy, for he was told that—

with reference to itemizing accounts, will say that anything that you particularly do not like to itemize might be put under the head of "miscellaneous." (Lobby hearing, p. 1401.)

This course was suggested in response to the following letter from the worthy who was engaged in the high-class educational work to which he was assigned:

EBBITT HOUSE,
*Washington, D. C., August 4, 1911.*

MY DEAR HAMLIN: I have yours, with inclosures. Thank you for the bank errand.

You are quite right in itemized expense, and it will be easy; but if an auditing board, as you intimate, is to check you up, some skill will be necessary in extending account items.

Heretofore I have orally accounted to my principal.

These multitude investigating suspecting committees now on deck in governmental affairs are a lesson to anyone who has accounts to be audited by a "board."

AARON GOVE.

(Lobby hearing, pp. 1399–1400.)

It will be observed that he was to be more fully equipped for the task he undertook under the tutelage of one Truman G. Palmer, chief statistician to the United States Beet Sugar Industry, with headquarters in the city of Washington, where enlightenment was deemed most needed. Palmer has been secretary of the association named since it came into existence, and held a like place with the American Beet Sugar Association for many years, his talents being of so high an order as to command a salary of $10,000 per year. His specialty is statistics. He has frequently, however, indulged in argument, his contributions to the literature of the sugar industry having been repeatedly spread broadcast at the public expense in the guise of public documents.

The circulation of his Sugar at a Glance taxed the mail service to an extent that would have required the payment from less-favored organizations seeking to influence legislation in their behalf of $20,000.

On the occasion of the pendency of every one of the historic measures referred to in which the fortunes of the sugar industry were involved, he has been prepared with statistics to demonstrate that its very life was at stake.

Fortunately the public have ceased to regard with great seriousness the professions of profound alarm with which many of the interests affected greet every effort to revise the tariff or the predictions of ruin that invariably accompany any such. It is to the credit of the business men of the country whose interests are more or less directly involved that they have generally exhibited a complacency touching the pending tariff measure and a resolute purpose to accommodate themselves to the new conditions it imposes quite in contrast with the storm of protest that has accompanied like efforts in the past toward alleviating the burdens of tariff taxation.

Their example might well be emulated in this Chamber. The daily repetition on this floor of predictions of inevitable ruin to this, that, or the other industry in consequence of the reduction of the duties on the commodities produced in it, and general financial depression as the aggregate result, can have no other effect than to contribute to bring about the very condition so eloquently deplored. One would scarcely turn loose a flock of political and financial Cassandras in the market place who was really apprehensive of a business panic. I shall have served the purpose for which the regular consideration of the bill was interrupted if I have succeeded in showing that with respect to some items of the bill, and one at least that promises to occupy a place near the storm center of the debate, the dread aspect in which the future has been depicted will vanish when contemplated in the light of the actual conditions that surround the particular industry involved.

Mr. THORNTON. Mr. President, before the Senator from Montana takes his seat I should like to ask him whether since the evening of the 7th of July, which was the time of the adjournment of the Senate Democratic caucus, he has become a convert to the doctrine of free wool and free sugar, as I judge he has from his argument to-day?

Mr. WALSH. Of course the Senator misinterprets the argument. I have made no argument to-day in favor of either free wool or free sugar. I have simply undertaken to show that neither will destroy those industries so far as my own State is concerned.

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APPENDIX 1.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
*Washington, July 24, 1913.*

For Hon. T. J. WALSH,
*United States Senate, Washington, D. C.*

*Weekly averages of closing prices for No. 1 northern wheat at Minneapolis, Duluth, Chicago, and Winnipeg during 1913.*

| Week ending— | Minneapolis. | Duluth. | Chicago. | Winnipeg.[1] |
|---|---|---|---|---|
| | *Cents.* | *Cents.* | *Cents.* | *Cents.* |
| Jan. 4[2] | 83 3/8 | 82 3/8 | 89 1/2 | 81 1/2 |
| Jan. 11 | 85 1/8 | 84 1/8 | 90 3/8 | 81 5/8 |
| Jan. 18 | 87 1/8 | 86 1/8 | 92 1/8 | 83 3/8 |
| Jan. 25 | 86 7/8 | 85 7/8 | 91 3/8 | 82 1/2 |
| Feb. 1 | 86 7/8 | 86 7/8 | 91 3/8 | 82 3/8 |
| Feb. 8 | 87 7/8 | 87 | 92 1/8 | 83 1/8 |
| Feb. 15 | [3] 86 1/8 | [3] 86 3/8 | [3] 92 3/8 | 83 7/8 |
| Feb. 22 | [4] 87 3/8 | [4] 86 1/8 | [4] 91 1/8 | 84 1/8 |
| Mar. 1 | 87 3/8 | 86 1/8 | [5] 91 1/8 | 85 3/8 |
| Mar. 8 | 85 7/8 | 84 3/4 | 90 1/8 | 84 1/8 |
| Mar. 15 | 84 3/8 | 84 1/8 | 89 | 85 3/8 |
| Mar. 22 | [6] 84 1/8 | [7] 83 1/8 | [6] 88 1/8 | [7] 88 3/8 |
| Mar. 29 | 85 1/8 | [8] 84 1/8 | 89 1/8 | 86 1/8 |
| Apr. 5 | 86 1/8 | 85 3/8 | 91 1/8 | 87 1/8 |
| Apr. 12 | 87 1/8 | 87 1/8 | 92 1/8 | 89 1/8 |
| Apr. 19 | 87 1/8 | 87 1/8 | 92 1/8 | 90 1/8 |
| Apr. 26 | 90 1/8 | 90 1/8 | 94 1/8 | 92 1/8 |
| May 3 | 90 1/8 | 91 1/8 | 93 1/8 | 93 1/8 |
| May 10 | 88 1/8 | 90 1/8 | 89 1/8 | [1] 93 1/8 |
| May 17 | 90 1/8 | 89 1/8 | 91 1/8 | 92 1/8 |
| May 24 | 91 1/8 | 91 1/8 | [6] 93 1/8 | [10] 93 1/8 |
| May 31[6] | 93 1/8 | 92 1/8 | 94 1/8 | 94 1/8 |
| June 7 | 91 1/8 | [9] 91 1/8 | 90 1/8 | [9] 91 1/8 |
| June 14 | 91 1/8 | 92 1/8 | 93 1/8 | [9] 97 1/8 |
| June 21 | 92 1/8 | 93 1/8 | 94 1/8 | 98 1/8 |
| June 28 | 92 1/8 | 92 1/8 | 94 1/8 | 97 3/8 |
| July 5 | [7] 92 1/8 | [7] 91 1/8 | [7] 93 1/8 | [11] 97 1/8 |
| July 12 | 91 1/8 | 91 1/8 | 92 1/8 | [9] 98 |

[1] Prices are for wheat in store at Fort William and Port Arthur.
[2] Three days; no quotation for Wednesday, January 1.
[3] Five days; no quotation for Wednesday.
[4] Five days; no quotation for Saturday.
[5] Five days; no quotation for Tuesday.
[6] Five days; no quotation for Friday.
[7] Four days; no quotations for Friday and Saturday.
[8] Four days; no quotations for Thursday and Friday.
[9] Five days; no quotation for Monday.
[10] Four days; no quotations for Tuesday and Saturday.
[11] Three days; no quotations for Monday, Tuesday, and Saturday.

APPENDIX 2.

*To the Woolgrowers of Montana:*

Conditions in the wool trade are such as to justify the belief that those who can hold their clips for even a short time will receive more for their wool than the present offers would indicate.

Buyers began early in the season to beat down the price of wool by sending out depressing reports and by staying out of Montana. They made efforts, as usual, to get a few clips at remarkably low prices, hoping to start selling at the lowest possible figures, but even isolated clips have been held up by the growers in most cases and the buyers are just beginning to make offers.

As near as can be learned, the price paid for Montana clips of any considerable size has been around 17 cents, while several large clips have brought 18 cents.

HOLD THE FLEECES.

It is believed those who can hold their clips will receive from 19 to 21 cents. There is every reason to believe the bulk of Montana wool will bring 20 cents.

From the Boston correspondents of the leading commercial papers it is learned that the Colorado clips have sold there at 18 to 20 cents; the Nevada clips for 17 to 19 for fine and fine medium, with medium at 21 to 22 cents; and Utah at 18 cents for fine, and fine medium at 21 cents, with 22 cents for medium.

Wool people are adjusting themselves to the free-trade basis, and according to the Commercial Bulletin of Boston "a more optimistic attitude has been adopted by the wool trade during the last week. There is a disposition to operate more freely."

DELAY STRENGTHENS MARKET.

Even the delay in passing the wool tariff schedules is said by Boston buyers to have had a strengthening effect on the wool market. A writer in the New York Commercial says: "The longer the passage of the tariff bill is delayed the further the cost of wools will advance. The business of consignments has diminished and the dealers have been buying outright. The consignment business has been limited to the heavier and defective staples."

Manufacturers are demanding domestic grades to an unusual extent, and it is said manufacturers would now find it too late to arrange for the use of foreign wools even if they were desirable.

We find this significant statement in the Boston wool letter of the New York Commercial:

"Wool buyers and manufacturers daily become more convinced that no legislation will arise to interfere with the marketing of this year's domestic clip."

This simply means that if the placing of wool on the free list eventually influences prices to remain about where they are now, or drives them lower, the manufacturers and buyers of Boston have "become convinced that no legislation will arise to interfere with the marketing of this year's clip."

BUYERS KNOW SITUATION.

In other words, they are justified in paying as good prices for the wool of the West this year as any other year. Suppose the tariff bill does not pass before September or October. The buyers and manufacturers are then given three months to liquidate their business as done under present conditions. No wool could be imported on the new basis until next year.

The Senate Finance Committee has agreed that the change in the sugar schedule shall not go into effect until 1914, and it is believed some such arrangement will be made as to the wool schedule.

During recent years importations have been wools to suit a special purpose other than that for which domestic fleeces are wanted, and manufacturers do not look upon the possibility of increased competition of foreign wools with any great concern.

LIGHT SHRINKAGES.

Woolgrowers should bear in mind that the present year is a year of light shrinkage for Montana wools. This is by reason of the snowy winter, followed by a wet, backward spring, with the result that there has been no dust on the ranges and no extended warm weather to bring out the grease in the wool.

This all tends to make the wool much lighter than is usual at shearing time.

The average shrinkage of Montana wools is generally placed by buyers at about 66 per cent. This was no doubt the case when Montana was growing heavy shearing sheep exclusively. Of late years most of the bands have been mixed with coarse wool, making the shrinkage probably 5 to 7 per cent less than formerly.

DEMAND FOR DOMESTIC WOOL.

Few growers appreciate the fact that a shrinkage of 5 per cent less in their wool very materially increases the price of the fleece.

Taken as a whole there is every reason to believe the present clips will bring 20 cents or above if they are held and the growers are not too easily influenced to sell. If free wool eventually makes for lower prices, it is regarded as too late to have any real effect on the market this year. This year's clip can be bought on the same basis as that of last year, and it will be in the hands of manufacturers or in clothing before the tariff bill of the present administration could have any real effect on the wool market. It will then be too late for manufacturers to buy foreign wools on a free-wool basis.

The best way to do is to hold the clip and not be bluffed into accepting the first offer made by buyers who have for years beaten down the price paid for Montana wool with one argument and another.

This letter has been prepared so that the woolgrowers may be informed of the facts as this association sees them. There has been such a great lack of definite information among the woolgrowers on the subject of prices, values, etc., that it is believed that a statement of the true status of affairs is due them, which we believe has been given in this letter.

CHARLES H. WILLIAMS,
*President Montana Woolgrowers' Association.*

Mr. MYERS. Mr. President, I give notice that on Monday next, immediately after the close of the morning business, I shall address the Senate on the pending tariff bill, and especially on the free-raw-wool clause thereof.

Mr. STONE. Mr. President, I desire to supplement the magnificent address made by the Senator from Montana [Mr. WALSH] by reading a short telegram which I clipped from the Washington Times of yesterday. I am very sorry the senior Senator from Pennsylvania [Mr. PENROSE] is absent, since this dispatch is from Altoona, a city in his State, and is somewhat like the letter of the Sharples Separator Co., which saw fit to enter a protest against the statement of the Senator from Pennsylvania that it had gone out of business. You will all

recall the wail of woe that issued from the pallid lips of the Senator from Pennsylvania two or three days ago.

The dispatch to which I refer is as follows:

PENNSYLVANIA ROAD BREAKS FREIGHT RECORD.

ALTOONA, PA., *August 1.*

All records for freight movement in the history of the Pennsylvania Railroad were broken during July, when 180,113 cars passed Denholm. This is an increase of almost 1,000 cars a day over July, 1912, and more than 1,000 higher than the best previous record.

The dispatch speaks for itself. I put it in as being apropos to the speech just delivered by the Senator from Montana.

Mr. MARTINE of New Jersey. Mr. President, I should like to say further, with reference to many of the statements made by the distinguished Senator from Pennsylvania [Mr. PENROSE], that I have received a letter or two from Pennsylvania utterly disproving the statements made. Instead of universal calamity in the great Commonwealth of Pennsylvania in the way of furnaces going out, they are being relined and reconstructed for more business. I also have a number of clippings from prominent papers in the very county of which the Senator from Pennsylvania spoke, utterly setting aside his deductions and conclusions. I have hesitated to present them to-day, thinking it would be more courteous and more pleasing to the Senate, as it would be infinitely more to my liking, that I should hold them until the Senator himself is here. I shall reserve them, mayhap, until Monday.

Mr. SIMMONS. Mr. President, I ask that the Secretary proceed with the reading of Schedule D.

Mr. CLARK of Wyoming. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Wyoming suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Gallinger | Norris | Smith, Ariz. |
| Bacon | Gore | Owen | Smith, S. C. |
| Borah | Gronna | Page | Smoot |
| Brady | Hollis | Perkins | Sterling |
| Brandegee | Hughes | Pittman | Stone |
| Bristow | James | Pomerene | Sutherland |
| Bryan | Johnson, Me. | Ransdell | Swanson |
| Burton | Jones | Reed | Thomas |
| Catron | Kenyon | Robinson | Thompson |
| Chamberlain | Kern | Saulsbury | Thornton |
| Chilton | Lane | Shafroth | Tillman |
| Clark, Wyo. | Lewis | Sheppard | Townsend |
| Clarke, Ark. | Martine, N. J. | Shields | Vardaman |
| Crawford | Myers | Shively | Walsh |
| Dillingham | Nelson | Simmons | Williams |

Mr. GRONNA. I wish to announce that my colleague [Mr. MCCUMBER] is necessarily absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. NEWLANDS].

Mr. JAMES. I desire to announce the unavoidable absence of my colleague [Mr. BRADLEY].

Mr. BACON. I wish to announce that my colleague [Mr. SMITH of Georgia] is necessarily absent from the city to-day. During his absence he is paired with the senior Senator from Massachusetts [Mr. LODGE].

The VICE PRESIDENT. Sixty Senators have answered to the roll call. A quorum of the Senate is present.

Mr. SIMMONS. Mr. President, in requesting that the Secretary proceed with the reading of Schedule D, I overlooked the fact that when we adjourned on yesterday afternoon the Senator from Washington [Mr. JONES] had the floor.

Mr. JONES. I desire to withdraw the amendment I offered yesterday, and offer in lieu thereof the amendment which I send to the desk.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 19, paragraph 75 reads as follows:

Lime, 5 per cent ad valorem.

The Senator from Washington proposes to add to the paragraph the following proviso:

*Provided*, That the duty levied and collected by this paragraph shall in no event be less than the duty levied and collected by any adjoining country upon the importation of lime into such adjoining country from the United States.

Mr. JONES. Mr. President, this proviso meets the situation which I described yesterday as existing between this country and Canada. I will say briefly that under existing conditions the Canadians impose a duty of 17½ per cent on our lime going into that country, while on lime coming into this country the duty is 5 cents per hundred pounds, including the package. According to the handbook, that is equivalent to an ad valorem duty of 8 or 9 per cent. So that the Canadians practically shut us out of their market, while under the existing law we give them an advantage in ours.

The effect of the proposed law is to leave the barrier that Canada has erected against us, and to take down still further whatever barrier between this country and Canada exists on our side. In other words, they will maintain their 17½ per cent duty on our lime and the package in which it is imported, while we propose to reduce our tariff to 1 cent per hundred pounds.

At the conclusion of the proceedings yesterday I had just read a letter from one of the leading men in our State, giving the course that is pursued by Canadian manufacturers under the law as it exists now. I want to recall that letter to the attention of the Senate, because, as I said yesterday, I am satisfied that the members of the Finance Committee do not desire to discriminate against our own people in favor of another people or another country; and I am satisfied that they are perfectly willing to avoid such discrimination if they possibly can do it.

The result of the situation is, according to this gentleman, that as matters stand now some of the owners of lime properties in British Columbia partially develop their lime, load some of it onto ships, bring it over into our markets, put the price away down, and practically say to our people: "You buy us out, or we will continue this cutting"; and they can possibly afford to do that, and sell out their interests.

I desire to read briefly from this letter what I read yesterday afternoon, so that Senators may have the situation clearly in their minds. I wish to say that I know this gentleman personally. He is one of the most responsible citizens of our State. He says:

This unequal contest—

That is, the contest under the condition that our tariff on their lime is only 8 or 9 per cent and their tariff on ours is 17½ per cent—

This unequal contest has encouraged British Columbia real estate schemers to open up lime properties in a more or less primitive way, and then, while lying behind their 17½ per cent wall of protection, attack the American markets with the avowed purpose of forcing American manufacturers to either subsidize them to remain out of our markets or to buy them out entirely, in order to maintain a living price for the product from their own kilns in their markets.

* * * * * * *

Just now this exact condition is prevailing: A certain manufacturer on the British Columbia side is continually shipping small quantities of lime into our markets, both to Puget Sound and the Hawaiian Islands, cutting the prices down to an unprofitable basis, and openly and defiantly saying to us: "There is just one remedy for you—pay us a sufficient subsidy or buy our plant at our figure as the price of peace in your own markets."

Then he says:

The institution that is just now assailing our markets at every quarter has been trying for the past two years to sell their property to us and to other local manufacturers.

Then he asks that this condition of things be remedied. He states that their plant has been running at only a 50 per cent capacity during the last five years. He feels satisfied that if we are given a fair field in this matter, if we are placed upon an equal basis with the Canadians across the line, then we will be able to meet them in our markets and possibly in their own markets.

The purpose of the proviso that I have just offered is to place us upon an equal basis with the Canadians in this important business. Over a million and a half dollars are invested in these enterprises in our State alone. Several hundred men are employed. Some communities depend entirely upon the lime manufactured in their vicinity. Unless there is some remedy for this condition of things these plants must close, these men must be thrown out of employment, and these communities will be practically destroyed.

I can appreciate that our friends on the other side do not take into account the difference in labor cost, if there is such a difference. I understand that their theory of the bill does not take that into account. I have no quarrel with them for it. I am simply going to appeal to them on the basis that we ought to put our own people upon an equality with their competitors across the line and in the passage of legislation in the interest of our own people we ought not to frame that legislation in such a way as to discriminate against our people in favor of others.

I think that is a proposition which does not involve any special tariff principle whether for revenue or for protection, but it does involve the fair treatment of our own people by our legislative body. Upon that basis alone I appeal to our friends on the other side to put us on the same basis as the lime manufacturers of Canada. If the Canadian Government should take the tariff off of lime entirely, then we would be perfectly willing to have it taken off on lime coming into this country, but at any rate give us a fair field in our own market and in the markets that are adjacent to us. The situation as it now is enables the Canadians to do this.

It was suggested yesterday that at many localities along the border line there would be places in our territory where lime could be manufactured and taken over to territory across the

line, and that we ought LOT to put a tariff on lime which would prevent it from being brought into localities on our border where they do not have the lime production.

Now, what is the result of the present policy? The result of it, as a general rule, is simply that where there is a lime deposit on our side there are lime deposits on the other side; it is simply a continuation. The result is simply this: The Canadian has his market; he holds it by the 17½ per cent tariff; and if we start a manufactory of lime on this side he can afford to come in and reduce the price of his lime to stop that factory and drive it out of business or prevent its development and prevent its working. And when that is assured he can put the price up to the equivalent price on the other side. He can afford to do that as a business proposition, because he knows we can not take the market on his side of the line and he can get into our market with the comparatively small duty.

If you pass the bill as it is here, at only 1 cent per hundred pounds, we simply increase the size of the trust that the Canadian manufacturer of lime has now to crush out any possible development of the lime industry on our side and take our market away from us and supply it with his own product and put his price at practically what he may desire.

Mr. President, that is all I desire to say on the matter. It seems to me there is just one proposition, whether or not you want to help our own people by placing us upon an equality with those across the line, whether you simply want to insure that we shall have the same equality with them in our own market and in their market that they have in our market, or whether you want to increase the size of the trust with which they can destroy our industry.

I have here a letter prepared on behalf of several of the lime manufacturers in our State, which I desire to place in the RECORD without reading. It presents the matter very clearly and very fully. There is one statement in this letter, however, that I think is a mistake. I think the gentleman who wrote it had in mind the provisions of the bill rather than the existing law. I desire to call attention to it. He says:

> The United States Government, on the other hand, allows the Canadian manufacturer of lime to ship his products into this country at a specific tariff duty of $1 per ton with package free.

That is a mistake. The present law imposes a tariff of 5 cents per hundred pounds on lime, including the weight of the package, but under the present bill the tariff is left at 5 per cent on lime and the package comes in free. With that correction I ask that this letter be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The letter referred to is as follows:

SEATTLE, WASH., *April 21, 1913.*

Hon WESLEY L. JONES,
*United States Senate, Washington, D. C.*

DEAR SIR: At a meeting of the owners of all the lime plants located in the northwestern tier of counties of this State, which practically includes all its available limestone deposits, I was requested to take up and lay before you the conditions of this industry at the present time, and to ask you to use your best endeavors to have the iniquitous tariff conditions we are now operating under adjusted on some fair and equitable basis.

The industries are owned by citizens of the State of Washington who have invested their capital and earnings, and many of them have spent the best years of their life in building up the business in the hope of securing a reasonable return on their venture, but for the last few years this has been impossible, owing to industrial conditions that have placed them at the mercy of competitors across the boundary line in British Columbia.

The lime deposits of British Columbia are located upon Vancouver Island and have deep-water transportation not only to the principal markets of their own country, but likewise to the principal markets of the States of Washington and Oregon. In addition to this the railroads absorb their local freight charges to interior points; that puts them on an equality with our home manufacturers with the added privilege of employing Chinese labor, which averages but $1.75 per day, while the average white labor in the lime plants of this section is $2.87½ per day.

At the lime kilns in British Columbia, where the product is put up in barrels, the Chinese contract the cooperage at 5 cents per barrel, while our manufacturers are compelled to pay 7 cents per barrel. The British Columbia manufacturers were given by the Government of that country large areas of timbered lands from which to draw their fuel supply for burning the lime, and their average cost of wood ranges from $1.40 to $1.65 per cord, while the manufacturers of the State of Washington are compelled to pay from $2.50 to $3.25 per cord for the same class of wood delivered to their kilns.

These physical conditions are a very serious handicap to the lime manufacturers of this section, when they have to come in competition with British Columbia manufacturers on equal terms, and much more so when our Government places a bounty in the shape of a preferential tariff in favor of these foreign manufacturers, as is the case at the present time and has been for some years last past.

The Canadian Government places a duty upon manufactured American lime and ground limestone going into Canada of 17½ cents ad valorem, which also includes the cost of the package, *and compels our manufacturer to invoice his shipments at his selling price to jobbers,* which means that we must pay a duty, not only upon the manufacturing cost but also upon the anticipated profits. For violation of this clause or the slightest attempt at undervaluation they invoke what is known in Canada as the dumping clause which adds to the 17½ cents a penalty for double that amount. *This places the ordinary duty of our lime entering Canada under the present prices at $1.92½ per ton.*

The United States Government, on the other hand, allows the Canadian manufacturer of lime to ship his products into this country at a specific tariff duty of $1 per ton *with package free,* notwithstanding the fact that the manufacturing cost of this package equals, if it does not exceed, the cost of the lime it contains, and they are then able to sell the empty barrels at from 10 cents to 15 cents each in direct competition with the American cooperage factories and which gives a tariff advantage to the Canadian manufacturer, in addition to all the other physical advantages, of from 92 cents to $1.05 per ton, and makes this country the dumping ground for the surplus product of the British Columbia lime manufacturers, which they have been quick to take advantage of, as every manufacturer knows that the cost of producing a certain article is decreased in proportion to the increased volume of the output of the plant and his ability to keep his plant running continuously.

Just as an example and to show the actual conditions I will quote two instances:

The Roche Harbor Lime Co.'s plant at Roche Harbor is one of the largest on the Pacific coast, operating 14 kilns with an investment of more than $1,000,000. For the past two years this plant has averaged but little more than two and one-half kilns in constant operation, and there have been times when not even a kiln was burning.

The Pacific Lime Co.'s plant, of British Columbia, has been during the same period running full blast and have installed additional kilns to more than double their capacity. The British Columbia markets have not been able to absorb their entire output, but with the very favorable tariff regulations they could very conveniently dump their surplus upon this market and cut the price below where it could be profitably produced by our own manufacturers.

When the schedule of tariffs for the bill now before Congress reached us, we found that instead of getting relief from the condition already prevailing it is proposed to wipe out the last vestige of industrial stability for this product by reducing the already low tariff by 50 per cent. It hardly seems reasonable to any citizen of this country that men elected to a high legislative office will deliberately plan to ruin their own citizens for the benefit of a foreigner or to carry out the theoretical idea of an economic problem. The placing of this tariff upon the statute books means nothing more or less than the formation of a trust between the United States Government and the British Columbia lime manufacturers which will destroy the property of their own countrymen, who are compelled to pay taxes from which the executioners derive a yearly revenue.

If the manufactured article in question was one in use by a class of people whose earning power was limited, or had any relation to the high cost of living or any of the various economic questions that confront us to-day, there might be some excuse for this action; but in this particular instance the contrary is true. Lime to-day is not used by the poor man. His house is plastered by a cheaper article than lime can be possibly produced, known as gypsum hard wall plaster. His chimneys, owing to the known danger of fire, are to a large extent laid up in cement mortar, and the use of lime therefor is largely restricted to brick and terra cotta construction in large and massive office buildings, factories, warehouses, and the like, and for which we in turn are compelled to pay the highest rate for occupancy and use. Therefore, from an economic standpoint, it has no relation whatever to the abstract question but is purely one of business judgment.

On behalf, therefore, of the lime manufacturers of this country, and especially those of the Northwest, I have been delegated to file with our delegation a most emphatic protest against the reduction of the present tariff and to ask, instead, that a reciprocal tariff be demanded between these two countries, whose boundary line is imaginary instead of physical, and to ask that you use your best effort to see that this industry and the men who have invested their entire resources and years of effort be not destroyed.

The lime manufacturers of this section are not asking for protection, but justice, a fair field and no favors, an equality of opportunity to invade the foreign field on the same terms and conditions that they are allowed to enter here, and we submit that under the present conditions we are entitled to a specific duty of $2 per ton on manufactured lime entering this country from foreign ports.

If it is impossible to raise the tariff on this class of goods shipped from British Columbia into the United States equal to that demanded by the Canadian Government at the present time, I would suggest that some provision be made whereby the President and his Cabinet would have the right, after proper investigation, where certain tariffs were working hardships against the citizens of the United States and no other redress were possible, to suspend the tariff and make it equal to that of the foreign country. This is now being done and has been for years in Canada, where the tariff law can be changed at will, by the simple process of making what is known as "an order in council."

Trusting that you will give this question your prompt attention, and be able to secure some reasonable adjustment on a fair basis to the citizens of this country, I remain,

Very respectfully, J. J. MANEY.

N. B.—A similar letter is being sent to each member of our congressional delegation.

J. J. M.

Mr. STONE. Mr. President, I do not care to take any time in prolonging this discussion. A great many demands have been made upon the Committee on Finance in advocacy of countervailing duties. In numerous products a provision similar to that embodied in the amendment offered by the Senator from Washington has been suggested and urged by people interested in them. We can not apply the principle of countervailing duties to articles generally. There should be very rare and exceptional reasons for doing it, or else there would be no substantial relief of the kind supposed to result from the passage of this measure.

While, as the Senator says, there is a duty of 17 cents on lime going into Canada as against about a 9 per cent duty under the present law on lime coming into the United States, the fact remains that we have imported practically no lime into the United States and have exported two and a half times as much as we have imported. I see no reason for applying a countervail-

ing duty, such as is proposed here, or any other kind, for that matter.

Mr. JONES rose.

Mr. STONE. As I said, I do not wish to prolong the debate, and I hope we shall have no more speeches on it.

Mr. JONES. I wish to suggest to the Senator with reference to importations that it is not a prohibitive duty we have now; that in 1896, when we had the same duty, we imported 42,806,000 pounds of lime. In 1905, with that same duty, we imported 46,148,700 pounds, a very considerable importation. Then in 1910 we imported 18,085,600 pounds and in 1912 9,985,300 pounds. While some years show small importations, other years show a very large importation, and what the next year might show with the 5 cents a hundred duty of course no one can tell.

Mr. STONE. Mr. President, I ask now that we may have a vote on the amendment.

Mr. BURTON. Mr. President——

Mr. STONE. Does the Senator desire to address himself to the pending amendment?

Mr. BURTON. To this amendment.

Mr. STONE. I understood that the Senator had an amendment of his own to offer.

Mr. BURTON. Mr. President, this item affords an excellent object lesson. It shows the futility of the plan adopted in this bill. I think it would be well to have free trade in lime with Canada. Geographical considerations would largely determine on which side of the line the supply would be furnished. Freight rates enter prominently into the problem. The same considerations that apply here would apply to coal and some other heavy materials.

But here is the proposition: Canada has a duty on our lime of 12½ cents per hundred pounds. As I figure it, on the basis of pending prices that is more than 17½ per cent; it is about 23 per cent. So the Canadian duty is 23 per cent, approximately. Our duty at present is between 9 and 10 per cent, and it is proposed to diminish that to 5 per cent. What good is that going to confer upon this country? Are we acting for ourselves or are we acting in the interest of our Canadian neighbors in making this change?

The whole theory upon which this bill is founded is that we should buy where we can buy the cheapest, and that in exchange for those things which we buy from foreign countries we should export to them something which we can furnish more cheaply.

I have little doubt but that in most localities on the border we can furnish lime more cheaply than Canada. Our plants are better organized and the business has been longer established. But this article which we can furnish more cheaply is shut out from Canada. It can not go in there unless we pay a duty of 23 per cent. So the whole argument for the bill, the whole theory of freer-trade tariff revision, fails in this place.

There is one point I wish to take up in this connection. Is anybody illogical enough to believe that the lowering of this duty is going to lower the price to any American consumer?

Here is a country with a population of about one-tenth of ours. Their supply of lime is perhaps one-fifteenth of ours. Our market is represented by 15 units to 1 unit. What is going to determine the price of lime in the United States? The fifteen-sixteenths consumed and the fifteen-sixteenths furnished in the United States or the one-sixteenth furnished by Canada? What will be the inevitable result? If any Canadian desires to send into this country a carload or cargo of lime, he will ascertain what the price is in the United States. He will be actuated by no altruism. He will sell at the price in this country.

Suppose there are 15 men engaged in a certain trade who were receiving $2 a day, and one man comes along who has been receiving $1.75 a day. Why, according to the theory of some here, the 15 men would all lower their wages to $1.75. But what is the result? The one man conforms his compensation to that of the other 15, and the wage is raised from $1.75 to $2.

Now, it has been said that these countervailing duties can not be generally adopted. There are a number of cases in this bill where they should be adopted, where the lowering of duties under which articles are imported in this country will confer no benefit whatever upon us in the way of cheapness of price, because the foreign producer will charge the same figure which he finds to be prevalent here. There is a variety of causes for that. For instance, the one I have just named, the volume of our consumption is so great that the greatest demand and the greatest supply control effectively. Theoretically there would be a very small, an almost infinitesimal decrease in the price in such a case as I have named, but actually it does not occur.

But, Mr. President, this is fundamental. This is not the place where we can base our policy on what we call international economy. National economy, that which is for our benefit, should be the argument which should govern our action in such cases.

I have introduced an amendment here which is somewhat different from that introduced by the Senator from Washington [Mr. JONES]. It was presented on the 24th of April. It shows satisfaction with the duty of 5 per cent, but adds the proviso that in case lime is imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on lime imported from the United States of 10 per cent or more, then the duty shall be 10 per cent. It does not propose in any case to raise the duty above 10 per cent, but does rest upon the unfairness of giving away our market.

Mr. President, it is surprising to me that the Senate should insert a provision in the bill—and there are many of them scattered all through this measure—where the most elementary principles of trade demonstrate that the bill seeks to benefit not ourselves but another country.

Carrying out to its logical result the idea that we can produce a number of things more cheaply than other countries, how will you get a market for them? When you must pay for your imports with exports, how will you dispose of your exports in such cases as this where the currents of trade are stopped and the market is closed to you?

Thus, with this insignificant duty of 5 per cent, we give away, without consideration, the most valuable market in the world.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington [Mr. JONES].

Mr. JONES. I think I will have to ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BRISTOW. Mr. President, I desire to say that as a rule I am not in favor of countervailing duties, because it gives in the hands of the foreign country the power to make our tariff laws; but this, I think, can be made an exception to that rule, because it will simply affect the border of the country along the Canadian line. It seems to me that the arguments as presented by the Senator from Washington [Mr. JONES] and the Senator from Ohio [Mr. BURTON] are quite conclusive that it would be unfair to the producers of lime along the Canadian border to permit their Canadian competitors to come into their market on a duty of 5 cents, while the American producer adjacent to the line must pay more than three times that much to get into the market of his Canadian competitor.

Therefore, I shall vote for this amendment for that reason; but I do not wish it to be understood as an indorsement of the general policy of countervailing duties, because I do not believe in them as a rule.

Mr. JONES. I ask that the amendment be read.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 19, line 6, paragraph 75, which reads, "Lime, 5 per cent ad valorem," add the following proviso:

*Provided*, That the duty levied and collected by this paragraph shall in no event be less than the duty levied and collected by any adjoining country upon the importation of lime into such adjoining country from the United States.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I am paired with the junior Senator from West Virginia [Mr. GOFF]. I transfer that pair to the senior Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. JAMES (when Mr. BRADLEY'S name was called). I wish to announce the unavoidable absence of my colleague [Mr. BRADLEY] and to state that he has a general pair with the junior Senator from Indiana [Mr. KERN].

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACKSON], which I transfer to the senior Senator from Virginia [Mr. MARTIN] and vote. I vote "nay."

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Maine [Mr. BURLEIGH] and vote. I vote "yea."

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BRADLEY], and therefore withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. PERKINS (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN], and therefore withhold my vote.

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT]. I therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], and I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a pair for the afternoon with the junior Senator from Florida [Mr. BRYAN], who is detained from the Senate. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and vote "yea."

Mr. CLARK of Wyoming (when Mr. WARREN'S name was called). My colleague [Mr. WARREN] is unavoidably absent. He is paired with the Senator from Florida [Mr. FLETCHER].

The roll call was concluded.

Mr. CHAMBERLAIN. I have a pair with the junior Senator from Pennsylvania [Mr. OLIVER], who is absent. I transfer my pair to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. JAMES. I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. I transfer that pair to the senior Senator from Alabama [Mr. JOHNSTON] and vote "nay."

Mr. MYERS. Has the Senator from Connecticut [Mr. MCLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I am paired with that Senator and therefore withhold my vote.

Mr. BACON. I again announce the necessary absence of my colleague [Mr. SMITH of Georgia] and that he is paired with the senior Senator from Massachusetts [Mr. LODGE].

Mr. GRONNA. I again wish to announce that my colleague [Mr. MCCUMBER] is necessarily absent on account of illness in his family, and that he is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I wish this announcement to stand for the day.

Mr. VARDAMAN. The senior Senator from Mississippi [Mr. WILLIAMS] is unavoidably absent. I understand that he is paired with the senior Senator from Pennsylvania [Mr. PENROSE].

Mr. GALLINGER. I was requested to announce a pair between the Senator from Rhode Island [Mr. LIPPITT] and the Senator from Tennessee [Mr. LEA].

Mr. SMOOT. I desire to state that the junior Senator from Wisconsin [Mr. STEPHENSON] and the senior Senator from Delaware [Mr. DU PONT] are unavoidably detained from the Senate. I will allow this announcement to stand for the day.

Mr. LEWIS. I wish to announce a pair between the Senator from Texas [Mr. CULBERSON] and the Senator from Delaware [Mr. DU PONT]. I make this announcement for the day.

The result was announced—yeas, 22, nays 35.

YEAS—22

| | | | |
|---|---|---|---|
| Borah | Clark, Wyo. | La Follette | Sterling |
| Brady | Crawford | Nelson | Sutherland |
| Brandegee | Dillingham | Norris | Townsend |
| Bristow | Gallinger | Page | Works |
| Burton | Jones | Sherman | |
| Catron | Kenyon | Smoot | |

NAYS—35.

| | | | |
|---|---|---|---|
| Ashurst | Hughes | Ransdell | Smith, S. C. |
| Bacon | James | Reed | Stone |
| Bankhead | Johnson, Me. | Robinson | Swanson |
| Chamberlain | Lane | Shafroth | Thompson |
| Chilton | Lewis | Sheppard | Thornton |
| Clarke, Ark. | Martine, N. J. | Shields | Tillman |
| Gore | Owen | Shively | Vardaman |
| Gronna | Pittman | Simmons | Walsh |
| Hollis | Pomerene | Smith, Ariz. | |

NOT VOTING—39.

| | | | |
|---|---|---|---|
| Bradley | Goff | Martin, Va. | Saulsbury |
| Bryan | Hitchcock | Myers | Smith, Ga. |
| Burleigh | Jackson | Newlands | Smith, Md. |
| Clapp | Johnston, Ala. | O'Gorman | Smith, Mich. |
| Colt | Kern | Oliver | Stephenson |
| Culberson | Lea | Overman | Thomas |
| Cummins | Lippitt | Penrose | Warren |
| du Pont | Lodge | Perkins | Weeks, |
| Fall | McCumber | Poindexter | Williams |
| Fletcher | McLean | Root | |

So Mr. JONES'S amendment was rejected.

Mr. BURTON. I desire a vote on the amendment, and will ask to have it read at the desk. I will state, however, that it provides that the duty of 5 per cent may remain, that being the general duty; but where the duty of any country, dependency, or other subdivision of government is 10 per cent or more the duty shall be 10 per cent.

The VICE PRESIDENT. The Secretary will read the amendment proposed by the Senator from Ohio [Mr. BURTON].

The SECRETARY. On page 19, paragraph 75, at the end of the paragraph, it is proposed to insert the following:

*Provided*, That lime shall be subject to a duty of 10 per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on lime imported from the United States of 10 per cent or more ad valorem.

Mr. GRONNA. Mr. President, I shall vote against this amendment as I voted against the amendment proposed by the Senator from Washington [Mr. JONES]. I am opposed to the idea of permitting a foreign Government to say what our duties shall be. In a measure, although conditions are somewhat different, it is similar to the provision in the bill for a countervailing duty on wheat. Every Senator knows that Canada has no market for our wheat. Every Senator knows that we surrender our market, which is a valuable one, to a nation that has no market for our products. I do not wish to delay the Senate this afternoon, and for that reason I shall not go into the subject any further; but I simply desire to state that I am opposed in a general way to this method of legislating. We should assume the responsibility ourselves and levy such duties as the industry is justly entitled to.

Mr. BURTON. Mr. President, I have already stated that the arguments used by the Senator from North Dakota [Mr. GRONNA] can have no possible application, and would not govern the price in this country in the least degree. I ask unanimous consent to change the figures "10 per cent" in the proposed duty to "9 per cent," so that it may be in no event more than the present duty.

The VICE PRESIDENT. The amendment will be modified as proposed by the Senator from Ohio. The question is on the amendment as modified.

The amendment as modified was rejected.

Mr. STONE. Mr. President, that paragraph having been disposed of, I will state to the Senate that it will end the consideration of Schedule B, except as it relates to paragraphs to which the Senate will later revert. Several paragraphs were passed over at the request of the Senator from Wisconsin [Mr. LA FOLLETTE], and one, as I recall, at the request of the Senator from North Dakota [Mr. GRONNA]. Except those paragraphs which have been reserved, the paragraphs of the schedule have been considered and passed upon. Perhaps there may be other reserved paragraphs, but, in any event, we shall return to them in due time.

The metal schedule is the next one in line; and that is to go over until Monday. I now understand that it is the purpose of the chairman of the committee that we proceed to the consideration of Schedule D, the wood schedule.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in Schedule D, page 50, line 9, to strike out paragraph 171, as follows:

171. Sawed boards, planks, deals, and all forms of sawed cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, and all cabinet woods not further manufactured than sawed, 10 per cent ad valorem; veneers of wood, 15 per cent ad valorem; and wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

Mr. BURTON. I should like to ask a question in regard to the proposed amendment. What do the words "wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem," mean? What is included in that? I refer to the clause on page 51, lines 2, 3, and 4.

Mr. JOHNSON of Maine. I will say to the Senator, Mr. President, that that includes all woods except those specially provided for as mentioned in the section—all unmanufactured woods not specially provided for by the section.

Mr. BURTON. That would include oak, pine, and every other variety of wood?

Mr. JOHNSON of Maine. Either on the free list or on the dutiable list.

Mr. BURTON. Is there not, then, a duty imposed upon that class of wood, while finished woods are made free?

Mr. JOHNSON of Maine. I do not know that I fully understand the question of the Senator.

Mr. BURTON. Take the paragraph in the free list relating to this matter——

Mr. JOHNSON of Maine. In the free list it is paragraph 649.

Mr. BURTON. There you will find:

And all like blocks or sticks, rough hewn, sawed, or bored; sawed boards, planks, deals, and other lumber, not further manufactured than sawed, planed, and tongued and grooved; clapboards, laths—

And so forth.

Does not this propose to impose 10 per cent on unmanufactured wood, while the finished woods, being tongued and grooved and made into clapboards, made into palings, shingles, and ship timber, are free?

Mr. JOHNSON of Maine. I can not specify the different kinds of wood which might be included, but we have in this paragraph specified some of the cabinet woods, such as mahogany, satinwood, granadilla, rosewood, and any other woods unmanufactured, which will bear this duty of 10 per cent, unless specially provided for in the paragraph.

Mr. BURTON. If the Senator will allow me, this refers to all classes of woods unmanufactured, does it not, and not merely to ebony, mahogany, rosewood, and the woods mentioned in the paragraph?

Mr. JOHNSON of Maine. Certainly; it includes all woods not specially provided for.

Mr. TOWNSEND. Mr. President, as I understand it, mahogany and other similar woods either come into the country manufactured, which is a small proportion of the amount, or else they come in the form of logs. I believe in a protective duty wherever a duty is necessary in order to maintain a legitimate industry in the United States. The fact is that we do not grow any mahogany in this country. It now comes in with a duty of 15 per cent, and it is proposed in this bill to impose a duty of 10 per cent upon it. Can it be that a duty is imposed for the purpose of encouraging an American industry? Why, I repeat, we produce no mahogany logs and the total cost of manufacturing logs into lumber, I am informed, does not exceed $3 a thousand, and the excessive duty of 10 per cent is not needed for the purpose of protection. This lumber, of course, is very high priced, and a 10 per cent duty on lumber which is worth more than a hundred dollars a thousand is too high. It will not produce as much revenue as the present duty, so far as that is concerned, if revenue is what Senators desire.

Mr. President, lumber of this kind should come into the United States free of duty. I am in favor of it, not only because imposing a duty does not in any manner encourage or protect an American industry, does not give employment to a single American laborer, but it does necessarily increase the price of that product to the consumer. Mahogany and other valuable tropical woods should not be burdened with an unnecessary duty. May I ask the Senator in charge of this portion of the bill why he considers the duty necessary?

Mr. JOHNSON of Maine. Mr. President, the mahogany that comes into this country comes in free now; it comes in in the log free. I find, upon referring to the statistics, that in 1912 mahogany to the value of $3,044,966.70 came in free of duty in the log. It is here sawed into different forms. It is only the sawed mahogany which bears the duty of 10 per cent, as the Senator from Michigan [Mr. TOWNSEND] will perceive in this paragraph. On mahogany, when sawed into boards, planks, deals, or other forms, the present duty is 15 per cent upon manufactured mahogany, and that has been reduced to 10 per cent.

Mr. TOWNSEND. The duty proposed in the bill is 10 per cent, as I understand it, not only upon boards but upon logs.

Mr. JOHNSON of Maine. Not upon the logs. The logs will come in free, as they always have done, as the Senator will perceive. The different woods when sawed into boards, planks, deals, or other forms will bear the duty.

Mr. TOWNSEND. That is not the way I understand it. I do not read it that way. Does the committee assert that there is no duty upon any of the lumber described in this bill except upon such as is sawed?

Mr. JOHNSON of Maine. That is our understanding of it—that the woods under paragraph 650 come in free; and they are mentioned.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Utah?

Mr. TOWNSEND. I yield.

Mr. SMOOT. I desire to ask the Senator from Maine a question. I agree with the Senator that mahogany, when sawed into boards, planks, deals, and other forms, carries under this paragraph a duty of 10 per cent, but he will notice in paragraph 171, line 2, on page 51, after the words "ad valorem," the words "and wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem." If mahogany is not specifically mentioned in the free list, then, of course, it would carry a duty of 10 per cent.

Mr. JOHNSON of Maine. I will say to the Senator from Utah that if he will refer to paragraph 650 he will find that the following woods are all on the free list: Cedar, including Spanish cedar, lignumvitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, and all forms of cabinet woods, in the log, rough, or hewn only, and red cedar (Juniperus virginiana) timber, hewn, sided, squared, or round.

Mr. SMOOT. Mr. President, I have not turned to the free list to examine paragraph 650, but there is no question, taking the two paragraphs together, that mahogany is on the free list.

Mr. TOWNSEND. I had not noticed the subsequent paragraph; but I submit that anyone reading paragraph 171, without any reference to the other, could not come to any other conclusion than that there is a 10 per cent duty on mahogany logs.

Mr. JOHNSON of Maine. I can not understand how the Senator can arrive at that conclusion, when the different forms of wood are mentioned, and then the paragraph provides that "all the foregoing when sawed into boards, planks, deals, or other forms," shall be dutiable.

Mr. HUGHES. Does the Senator understand that the word "section" applies both to the dutiable paragraphs and to the free list?

Mr. TOWNSEND. I did not understand that these woods were carried into the free list.

Mr. HUGHES. The word "section" applies both to the dutiable list and to the free list.

Mr. BURTON. Mr. President, the expression "and wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem," I take it, is intended as a sort of basket clause, to include any form of unmanufactured wood not placed on the free list.

Mr. JOHNSON of Maine. Or not provided for in the dutiable list.

Mr. BURTON. Can the Senator from Maine give any illustration of what would be included in the term "wood unmanufactured, not specially provided for in this section"?

Mr. JOHNSON of Maine. It would include any wood. I do not know that I have any particular wood in mind, because without referring to the bill I can not tell what woods are specially mentioned in the free list and in the dutiable list, but if any woods have not been mentioned this paragraph would cover them.

Mr. BURTON. It attracts attention very naturally, of course, because so large a variety of finished forms of lumber has been placed on the free list.

Mr. JOHNSON of Maine. But this is to cover a possible omission of woods which are not provided for. It is the same clause that is used in the present law, only there the duty is 20 per cent. I will read from the existing law——

Mr. BURTON. I am familiar with that, Mr. President, although there is no objection to the Senator from Maine reading it.

Mr. JOHNSON of Maine. The provision of the existing law reads as follows:

> And wood unmanufactured, not specially provided for in this section, 20 per cent ad valorem.

We have followed the same language, only the duty is reduced to 10 per cent.

Mr. BURTON. That provision, however, is in a law in which there is a duty, for instance, of $1.25 on boards and sawed lumber and duties upon different kinds of lumber——

Mr. JOHNSON of Maine. That is manufactured lumber.

Mr. BURTON. It seems incongruous to have this provision for a duty of 10 per cent on unmanufactured wood when there seems to be almost a complete enumeration of manufactured woods which are to be admitted free.

Mr. JOHNSON of Maine. If any have been omitted, then from an abundance of caution this paragraph is designed to make them dutiable.

Mr. NELSON. Mr. President, I desire to suggest to the Senator from Maine that the phrase "and wood, unmanufactured, not specially provided for in this section, 10 per cent ad valorem" be made perfectly clear by the insertion of the word "such" between the word "and" and the word "wood."

I think the section is intended to apply only to those kinds of unmanufactured wood referred to previously in the section, but as it reads it might include not only those woods but all other woods, like oak, pine, and so forth. I think if you would insert the word "such" there you would accomplish the purpose which you intend.

Mr. BURTON. Mr. President, I distinctly asked that question. If this paragraph is limited to cedar, lignum-vitæ, rosewood, mahogany, and so forth, it is clear enough; but I asked the question of the Senator from Maine if it did not refer to all kinds of wood, such as oak, pine, and every other native variety of wood, and I understood him to answer that this was comprehensive and included not only the woods specifically mentioned in this paragraph but all woods.

Mr. JOHNSON of Maine. The suggestion made by the Senator from Minnesota [Mr. NELSON] would destroy the very purpose of the provision.

Mr. NELSON. I think if you use the word "such," so as to read "such wood," it would be perfectly clear.

Mr. JOHNSON of Maine. I will say to the Senator that that would destroy the very purpose for which this language was inserted.

Mr. NELSON. Is it the intention by that language to make all kinds of wood free?

Mr. JOHNSON of Maine. All wood that is not specially provided for is made dutiable at 10 per cent. If we were to use the word "such," we would confine it to the woods enumerated here in the paragraph, which is not the intention.

Mr. NELSON. I desire to call the Senator's attention to the fact that if that is the purpose, the matter would be left in this condition: You put a duty of 10 per cent on all logs, whether pine, oak, or other logs—the raw material—and put the manufactured lumber on the free list. That is what it would lead to, as you will see if you compare paragraph 171 with the free-list paragraph.

Mr. SIMMONS. No, Mr. President; the Senator has overlooked the fact that there are two paragraphs in the free list that deal with wood. Reference was made a little while ago to paragraph 650. There is also paragraph 649, which reads as follows:

Wood: Logs, timber, round, unmanufactured, hewn or sawed, sided or squared.

It is only to provide for cases as to which no provision is made. It is a catchall clause. I myself do not think there is any wood that has not been specifically provided for; but if by inadvertence we have failed to provide for anything in unmanufactured lumber, then under this provision that lumber would pay the duty mentioned.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. NELSON. I should like to reply to the Senator from Maine.

Mr. NORRIS. I thought the Senator from Maine had the floor. I was going to make a suggestion along the line of that made by the Senator from Minnesota.

Mr. NELSON. I should like to call the attention of the Senate to the inconsistency between section 649 and the last part of paragraph 171. There is an apparent inconsistency. I quote from paragraph 171:

And wood, unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

The woods provided for in this section are "cedar, commercially known as Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, and satinwood; all of the foregoing"——

Mr. SIMMONS. The Senator overlooks the fact that that is not a section; that is a paragraph. And by the word "section" is included everything from Schedule A down to the income-tax provision.

Mr. NELSON. The paragraph further provides—

and wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

Mr. SIMMONS. The words "this section," as I was proceeding to say, refer to everything beginning with Schedule A and ending with Schedule N, sundries. It includes everything in the dutiable list and the free list. It includes everything in the bill except the income provision, the cotton-tax provision, and the administrative provisions.

Mr. NELSON. That would leave an apparent inconsistency between the two paragraphs.

Mr. SIMMONS. No.

Mr. NELSON. If the Senator is satisfied with that provision, very well.

Mr. SIMMONS. The words "otherwise provided for in this section" mean anywhere in the bill, because all of the schedules, including the free list, are comprised in section 1 of this bill. The income-tax provision is section 2.

Mr. TOWNSEND. Mr. President, I desire to refer further to the proposition of retaining a duty of 10 per cent on these articles in paragraph 171. The provision, according to the statement of the chairman of the committee and others, clearly imposes a duty of 10 per cent upon the tropical woods that are used in the manufacture of furniture. The duty on furniture coming into the United States has been reduced in the bill from 35 per cent to 15 per cent, while the duty on these woods, which are not produced in the United States at all, is reduced 33⅓ per cent; that is, reduced from 15 per cent to 10 per cent. I would like now to ask the Senator in charge of this schedule if I am correct in saying that it is proposed to impose a duty of 10 per cent, or of any per cent, on the tropical woods which are used in the manufacture of furniture?

Mr. JOHNSON of Maine. I do not think any of these woods come in in a manufactured form; they are imported in the log.

Mr. TOWNSEND. Well, furniture comes in.

Mr. JOHNSON of Maine. These woods do not come in to any considerable extent manufactured into boards and deals and planks. The importations must be quite small.

Mr. TOWNSEND. I will say to the Senator that there was about a million dollars worth of furniture imported last year.

Mr. JOHNSON of Maine. According to the tables given here, the importations of sawed boards, planks, and deals were only $280,692 in 1912; but logs came in very extensively, and they are on the free list.

Mr. TOWNSEND. They are on the free list?

Mr. JOHNSON of Maine. They are all on the free list.

Mr. TOWNSEND. As I said a moment ago, I think the records will disclose that there were about a million dollars' worth of furniture imported last year, paying a duty of 35 per cent. Furniture is made from these imported woods. This bill proposes to reduce that duty to 15 per cent. Evidently there will be an increase of importations under the pending bill when enacted into law.

The lumber used in the manufacture of high-priced furniture is practically all obtained from the owners of sawmills who, as the Senator states, import the logs into the United States free. Is it not going to be a discrimination against the manufacturers of furniture, for instance, in this country to reduce the duty on furniture and retain a duty on the lumber imported from which the furniture must be manufactured, without the hope of gaining any particular increase of revenue from the change?

What I am contending for, Mr. President, is, inasmuch as no good can come from retaining any duty at all upon this high-priced lumber, that it should be removed; that instead of imposing a duty of 10 per cent on mahogany, for instance, it should come in free. What is the objection to that from the standpoint of the chairman or of the committee?

Mr. JOHNSON of Maine. The only objection is that those have always been dutiable; and following the same course that we have followed in regard to other items in the bill, we have reduced the duty in this case.

I remember particularly in regard to cedar, commercially known as Spanish cedar, that parties appeared before us who import the log from South America and saw it into very thin boards, used for making cigar boxes. There were several industries concerned, and they said that without the duty, if it were on the free list, the cedar would be sawed into the thin stuff down there and the boxes sent here. Having regard to the condition in which they were, we lowered the duty somewhat, but left the duty upon the product which they manufacture.

The Senator speaks of furniture. I call his attention to the fact that we exported $6,231,000 worth of furniture in 1912. In 1910 we exported $5,572,191 worth. Our production that year in this country was $245,764,343. The importations in 1912 were only $810,255. In a year when we exported over $6,000,000 worth we imported only $810,000 worth of furniture. The furniture business would seem to be in a condition to compete; and the slight reduction in the duty which has been made here ought not to be a hardship with that showing.

Mr. TOWNSEND. I do not understand that the furniture manufacturers are complaining about a duty. I do not know that they would complain if furniture were placed on the free list. What they are complaining about is the reduction of the present duty on furniture from 35 per cent to 15 per cent, or a reduction of four-sevenths of the existing duty, while maintaining a duty on the lumber from which they manufacture their furniture, and which they can obtain from no one in the United States except from the manufacturers of foreign logs. The domestic furniture manufacturer must purchase his material either from the American sawmill owner who imports the logs which he saws or from the importer of foreign sawed lumber. Even from a protective standpoint the sawmill owner is entitled to no more than the reasonable difference between the cost of sawing the logs here and the cost abroad. Yet this proposed duty is seven or eight times the total cost of sawing in the United States. Are you not placing the furniture manufacturer too much in the power of the sawmill owner? Why not give him at least the benefit of fair competition? What occurred to me was that if there is to be a reduction in the duty on furniture, there should be an equal reduction upon the material out of which the furniture is manufactured.

Mr. JOHNSON of Maine. Mr. President, I should like to ask the Senator a question, if he will yield.

Mr. TOWNSEND. I will.

Mr. JOHNSON of Maine. Do not some of the furniture manufacturers import the mahogany log and saw it themselves, and have sawmills in connection with their plants?

Mr. TOWNSEND. I think that is true.

Mr. JOHNSON of Maine. Then they get their mahogany free in that way.

Mr. TOWNSEND. That is true of those who have the mills and who can saw it; and, therefore, they have an advantage over the manufacturers who do not saw their own logs, but who are trying to get the material with which to compete with their more favored rivals.

No good can come from this duty. It is not encouraging a single industry in the United States. It is not a revenue producer. The reductions which have taken place should have been more equitable. I can see no reason, from a Democratic standpoint, why the material from which this furniture is manufactured should not be on the free list.

Mr. BRANDEGEE. Mr. President, I want to ask a question of the Senator in charge of this schedule.

In paragraph 171, the last clause on page 50, extending over on page 51, reads as follows:

And all cabinet woods not further manufactured than sawed, 10 per cent ad valorem.

Then, in the next line:

And wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

It will be noted that the first quotation I have made speaks of wood "not further manufactured than sawed," and the next quotation speaks of "wood, unmanufactured." Suppose wood comes in that is sawed, but that has not been specially mentioned; is it subject to the duty of 10 per cent or not?

Mr. HUGHES. It also says "not specially provided for." The Senator must read that in his quotation after "unmanufactured."

Mr. BRANDEGEE. What I mean to ask is, Does the word "unmanufactured," as used in line 2 of page 51, include sawed wood or not?

Mr. JOHNSON of Maine. Will the Senator repeat his question? I did not hear it.

Mr. BRANDEGEE. I will.

At the bottom of page 50 the language of the bill is:

And all cabinet woods not further manufactured than sawed.

Then, in the next line, it provides:

And wood manufactured, not specially provided for in this section, 10 per cent ad valorem.

Mr. JOHNSON of Maine. The first applies to woods which may be classed as cabinet woods.

Mr. BRANDEGEE. I know it; but what I am trying to do is to get the Senator's definition of the word "manufactured." In the first instance which I have cited it says, "woods not further manufactured than sawed," which looks to me as though the authors of the bill considered sawing as manufacturing.

Mr. JOHNSON of Maine. It is true to that extent.

Mr. BRANDEGEE. Therefore, under the last quotation I have made, if sawed wood comes in that has not been specially mentioned, is it manufactured or not? That is, is it subject to a duty of 10 per cent or not?

Mr. HUGHES. It is manufactured.

Mr. TOWNSEND. May I ask that this paragraph be passed over? I want to prepare an amendment to it. I shall not debate it at length hereafter; but I would like to present an amendment to be offered at the proper time and when I shall have it prepared.

Mr. JOHNSON of Maine. Certainly.

Mr. BRANDEGEE. Mr. President, if that is going to be done, I will ask leave of the Senate to insert in the RECORD at this point the statement of the domestic manufacturers in relation to this paragraph, as given in the House hearings. It is found on page 2228 of the hearings on Schedule D. I will send it to the Secretary's desk, and ask to have it inserted in the RECORD.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

BROOKLYN, N. Y., *January 10, 1913.*

Hon. OSCAR W. UNDERWOOD,
*Chairman Ways and Means Committee,*
*House of Representatives, Washington, D. C.*

DEAR SIR: Re Schedule D, wood and manufactures of, section 203, sawed boards, planks, deals, and all forms of sawed cedar, lignum-vitæ, lancewood, ebony, box, granadillo, mahogany, rosewood, satinwood, and all other cabinet woods not further manufactured than sawed, 15 per cent ad valorem; veneers of wood, and wood unmanufactured, not specially provided for in this section, 20 per cent ad valorem.

We respectfully ask that the present duty of 15 per cent on sawn woods and 20 per cent on veneers, as above provided, be retained in the new tariff bill now under consideration.

The logs, either in the round or square hewn, are admitted free of duty, and this has always been the policy of the Government. Under this arrangement these tropical woods are converted here into lumber and veneers.

This industry is very important, supporting many mills in New York, Boston, Philadelphia, Baltimore, New Orleans, Louisville, Mobile, Chicago, Cincinnati, and the Pacific coast, giving employment to a great number of skilled mechanics and representing heavy capital investments.

During the past few years the importation of thin cedar boards from the mills of Mexico and Cuba has become very heavy, the imports of 1912 having increased more than 63 per cent over those of 1911, thus evidencing the fact that the foreign mills can pay the duty and still compete successfully with our own manufacturers.

The foreign mills have an advantage in freights, as the steamship lines charge a less rate per cubic foot on the manufactured product than on logs.

The owners and operators of the American cedar mills fear their business will be entirely destroyed if the 15 per cent protection is removed.

We would furthermore suggest that in writing the new tariff, in section 203, "and all other cabinet woods not further manufactured than sawed," the word "other" be dropped, so that importers of sawn cedar or sawn lancewood or sawn lignum-vitæ may have no grounds for asking free entry on the plea that these woods are not used exclusively for furniture.

The agents of the West Indian mills have recently endeavored by appeals to the Board of Appraisers to have cedar admitted free of duty on the plea that it is not a cabinet wood and that it is used chiefly for cigar boxes, and this notwithstanding the fact that Congress has specifically enacted that sawn cedar, mahogany, etc., shall pay a duty. The omission of the word "other," as we have mentioned, would avoid all controversy.

As a matter of fact, Spanish cedar has always been considered a cabinet wood, both by the trade here and in the fine-woods trade in Europe. It is botanically one of the mahogany family, and the cost of both woods is the same.

Very truly, yours,

WM. E. UPTEGROVE,
(Representing 19 firms).

The reading of the bill was resumed, as follows:

172. Paving posts, railroad ties, and telephone, trolley, electric-light, and telegraph poles of cedar or other woods, 10 per cent ad valorem.

Mr. BURTON. Mr. President, I move that paragraph No. 172 be stricken out and transferred to the free list as paragraph No. 651½.

It seems to me this paragraph in its present form falls little short of an absurdity. Paving posts are in very general use in cities. Railroad ties are in demand for railways, and the demand for them causes more of a strain on the timber supply than almost anything else. A duty of 10 per cent is placed on telephone, trolley, electric-light, and telegraph poles of cedar or other woods, very raw forms of lumber and in very general use.

Now, let us turn to paragraphs 649 and 650 and see some of the things that are on the free list. I will read most of the two sections:

Wood: Logs, timber, round, unmanufactured, hewn or sawed, sided or squared; pulp woods, kindling wood, firewood, hop poles.

They are all on the free list, while telegraph poles go on the dutiable list.

Hoop poles go on the free list; fence posts go on the free list; but paving posts go on the dutiable list.

Handle bolts, a much more highly finished form of lumber; shingle bolts, gun blocks for gunstocks, rough hewn or sawed or planed on one side; hubs for wheels, which require very careful attention and much labor—they are placed on the free list, but railroad ties are dutiable at 10 per cent.

Posts—if it were not for the specific description of telegraph posts and paving posts, these latter would go on the free list, for posts in general are free, while paving posts, which are very much used in our streets, are dutiable at 10 per cent.

Heading bolts—it is no sinecure to prepare one of those—stave bolts, last blocks, wagon blocks, oar blocks, heading blocks, and all like blocks or sticks, rough hewn, sawed, or bored; sawed boards, planks, deals, and other lumber, not further manufactured than sawed, planed, and tongued and grooved—that is, lumber that is tongued and grooved—all these are free, but a post or pole that is put up for a telephone line must pay a duty.

Now, let us notice some more articles that are on the free list: Clapboards, laths, pickets, palings, staves, shingles, ship timber, ship planking, broom handles, and so forth—all of those are on the free list.

What is the object of putting telephone poles on the dutiable list at 10 per cent in the face of such a list as that? In fact, Mr. President, in the case of paving posts, the law might be evaded by importing the log free and then cutting it up. In the case of railroad ties you might import without duty the whole log, or you might import under the form of scantling, squared timber, and then change it to a railroad tie. The former would be free and the latter would be dutiable. It would be more difficult to evade the provision in regard to telephone, trolley, and telegraph poles.

I will read a few more items here that are on the free list, at the end of paragraph 650. Cedar, including Spanish cedar, lignum-vitæ, lancewood, and so forth, and all forms of cabinet woods, in the log, rough, or hewn only, are all on the free list. Fine mahogany comes in free; but the cheaper kinds of timber, used for telephone posts, are dutiable.

Look here at the end, and see to what extent the bill has gone in placing woods on the free list:

Other woods not specially provided for in this section, in the rough or not further advanced than cut into lengths suitable for sticks for umbrellas, parasols, sunshades, whips, fishing rods, or walking canes.

Why should the stick for a lady's sunshade come in free, while the telephone pole that provides for a telephone system perhaps between one farmhouse and another is put on the dutiable list?

Umbrella sticks, which oftentimes are covered with metal, are free, but railroad ties are dutiable. Why, Mr. President, it seems to me this paragraph must have been overlooked. I introduced an amendment with reference to this matter some two months ago, I think, to straighten out these duties.

There is still another point in regard to it. We are having no end of agitation with regard to the conservation of our timber supply. Some very excellent men, like Mr. Pinchot and Dr. Schenck, for whose judgment I have the highest respect, say we ought to have a duty on timber to stimulate the domestic supply. I do not quite agree with that idea. It has always seemed to me that a duty on the log, at least, was a destructive tariff rather than a protective tariff, because this is a material which is one of the essentials of life which we must have, and the supply of which is rapidly diminishing, and we should frame the most liberal regulations, at least as to the admission of the timber in its unfinished form.

But suppose you levy a duty of 10 per cent on telegraph and telephone poles; what will be the result? Timber which has not reached its greatest value, which has not gained any great degree of maturity, will be cut down, because it will command a special or added price, due to this 10 per cent. At least it will command 10 per cent more, if the theory of the Senators on the other side of the aisle is right.

I recognize that the duties of the members of the committee have been very arduous, and I want to ask them if they are not willing that this item shall go out?

Mr. JOHNSON of Maine. Mr. President, I will say that this matter was not overlooked by the committee, because the Senator from Ohio would not allow us to overlook it. I remember that he appeared before the committee——

Mr. BURTON. Mr. President, I did not flatter myself that necessarily the brief call I made produced such an impression that the Senator would remember it.

Mr. JOHNSON of Maine. I will say that we took under full consideration what was said to us by the Senator. I want to call the attention of the Senate, however, to the fact that under this paragraph we collected $77,559 in revenue last year; and by putting on the free list the woods which the Senator from Ohio has mentioned we have taken away the opportunity to get revenue under this schedule. We must produce some revenue under the wood schedule, and I know of no better subject for bearing duties than railroad ties, electric-light poles, and telegraph poles. Certainly the users of those articles can pay this duty, or an additional price caused by the duty. I will say, also, that we have simply followed the provision of the existing law, which places a duty of 10 per cent upon those items. We have cut very heavily the sources of revenue in this schedule. In order to raise some revenue, and the part which this schedule ought to raise, it is necessary to maintain some things upon the dutiable list.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Ohio [Mr. BURTON].

Mr. BURTON. On the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. OLIVER]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. CHILTON (when his name was called). I transfer my pair with the junior Senator from Maryland [Mr. JACKSON] to the senior Senator from Virginia [Mr. MARTIN] and will vote. I vote "nay."

Mr. GALLINGER (when his name was called). I announce my pair with the junior Senator from New York [Mr. O'GORMAN] and withhold my vote.

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BRADLEY]. I shall therefore withhold my vote, unless it becomes necessary to make a quorum.

Mr. STONE (when his name was called). Has the senior Senator from Wyoming [Mr. CLARK] voted?

The VICE PRESIDENT. He has not.

Mr. STONE. I have a general pair with that Senator. I transfer the pair to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I transfer that pair to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

Mr. TOWNSEND (when his name was called). I again announce my pair for the afternoon with the junior Senator from Florida [Mr. BRYAN], who is necessarily detained from the Chamber. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and will vote. I vote "yea."

Mr. WALSH (when his name was called). Mr. President, I desire to announce to the Senate, as disclosed in the hearings before the lobby investigating committee, that I am interested in timberlands in my State. Articles coming under this paragraph constitute an element of the value of those lands. I am not yet satisfied, however, that a Senator ought to decline to vote simply because he has a more or less direct interest in the matter, although I may be convinced later on that that is the proper attitude to take. However, the disadvantage accruing to my interests from the bill as a whole quite outweighs any advantage that might accrue from this particular paragraph. I vote "nay."

The roll call was concluded.

Mr. JAMES. I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from Alabama [Mr. JOHNSTON] and vote "nay."

I also desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY]. I will let this announcement stand for the day.

Mr. PAGE. I wish to announce that my colleague [Mr. DILLINGHAM] has been called from the Chamber. He is paired with the junior Senator from Colorado [Mr. SHAFROTH].

Mr. GALLINGER. I have been requested to announce that the senior Senator from California [Mr. PERKINS] is unavoidably detained from the Chamber, and is paired with the junior Senator from North Carolina [Mr. OVERMAN].

Mr. WILLIAMS (after having voted in the negative). I have just learned that the senior Senator from Pennsylvania [Mr. PENROSE] did not vote. I have a pair with him, and I therefore withdraw my vote.

Mr. SHAFROTH. I am paired with the senior Senator from Vermont [Mr. DILLINGHAM], and therefore withhold my vote. If I were privileged to vote, I should vote "nay."

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. ROBINSON. The senior Senator from Arkansas [Mr. CLARKE] is paired with the junior Senator from Utah [Mr. SUTHERLAND]. The senior Senator from Arkansas is unavoidably absent from the Chamber.

Mr. THORNTON. I desire to announce that the junior Senator from Alabama [Mr. JOHNSTON] is unavoidably detained from the Chamber. I desire further to announce that the junior Senator from New York [Mr. O'GORMAN] is unavoidably absent. I ask that this announcement may stand for the day.

The result was announced—yeas 18, nays 34, as follows:

YEAS—18.

| | | | |
|---|---|---|---|
| Brady | Clapp | La Follette | Smoot |
| Brandegee | Colt | Nelson | Sterling |
| Bristow | Crawford | Norris | Townsend |
| Burton | Gronna | Page | |
| Catron | Kenyon | Sherman | |

NAYS—34.

| | | | |
|---|---|---|---|
| Ashurst | Jones | Robinson | Swanson |
| Bacon | Lane | Saulsbury | Thomas |
| Bankhead | Lewis | Sheppard | Thompson |
| Chamberlain | Martine, N. J. | Shields | Thornton |
| Chilton | Myers | Shively | Tillman |
| Hollis | Owen | Simmons | Vardaman |
| Hughes | Pomerene | Smith, Ariz. | Walsh |
| James | Ransdell | Smith, S. C. | |
| Johnson, Me. | Reed | Stone | |

NOT VOTING—44.

| | | | |
|---|---|---|---|
| Borah | Fletcher | McCumber | Root |
| Bradley | Gallinger | McLean | Shafroth |
| Bryan | Goff | Martin, Va. | Smith, Ga. |
| Burleigh | Gore | Newlands | Smith, Md. |
| Clark, Wyo. | Hitchcock | O'Gorman | Smith, Mich. |
| Clarke, Ark. | Jackson | Oliver | Stephenson |
| Culberson | Johnston, Ala. | Overman | Sutherland |
| Cummins | Kern | Penrose | Warren |
| Dillingham | Lea | Perkins | Weeks |
| du Pont | Lippitt | Pittman | Williams |
| Fall | Lodge | Poindexter | Works |

So Mr. BURTON's amendment was rejected.

The reading of the bill was resumed.

The next amendment was, in paragraph 174, page 51, line 13, before the word "pomelos," to strike out "or," and, after the word "pomelos," to insert "or other fruits," so as to read:

174. Boxes, barrels, or other articles containing oranges, lemons, limes, grapefruit, shaddocks, pomelos, or other fruits, 15 per cent ad valorem.

Mr. SMOOT. Mr. President, I desire to say to the Senate that, in my opinion, the addition of those words to this paragraph means that all coverings of fruits that carry specific duties or are free of duty will be assessed one-half of their value in returning to this country. Under the present law it is true that we impose that one-half duty upon orange and lemon boxes; but with the change that has been made in this paragraph, by adding "or other fruits" on lines 13 and 14, and striking out "orange and lemon" on line 16, and "orange and lemon" on lines 17 and 18, and adding "fruit" before the word "boxes" on line 16, and "fruit" before the word "box" on line 18, and "fruit" after the word "lemons" on line 19, it simply means that hereafter all boxes containing fruit of any kind exported from this country to another country and returned to this country will be obliged to pay a duty.

Under the present law, under paragraph 500, it is provided that they shall be returned to the United States free of duty with the exception of those specifically mentioned in paragraph 211, which is the same as the paragraph under consideration in the pending bill. Does the Senator from Maine understand that as I understand it?

Mr. JOHNSON of Maine. I certainly do. I do not believe, however, that many boxes or coverings for other than oranges and lemons are exported from this country to be filled and then imported here. The committee could see no reason why boxes for other fruit besides oranges and lemons should not be treated exactly the same way, and for that reason the words "or other fruits" were inserted.

Mr. SMOOT. They always have been treated that way. The only reason why lemons and oranges were treated in that way in the present law was, I suppose, that with the rate of duty which was imposed upon them they could afford to pay that one-half duty when the boxes were returned. If the Senator understands that, then I ask him to turn to the corresponding paragraph of the free list.

Mr. JOHNSON of Maine. I do not know that I correctly understood the Senator. Did I understand him to say that there are some fruits upon the free list in this bill?

Mr. SMOOT. I never referred to fruits at all.

Mr. HUGHES. I understand the Senator from Utah to make the point that under the provision of this paragraph containers of certain articles, although free, have to pay a certain rate of duty.

Mr. SMOOT. Exactly.

Mr. HUGHES. Is that the point?

Mr. SMOOT. That is the point.

Mr. HUGHES. It applies to fruits?

Mr. SMOOT. Certainly.

Mr. HUGHES. I just wanted to know for information. I did not know that any fruits were on the free list.

Mr. SMOOT. No; nor are lemons and oranges.

Mr. HUGHES. I wanted to know if there was anything the Senator knew that would be affected by it.

Mr. SMOOT. I know that fruits, other than oranges and lemons, shipped to Canada would be affected by it. The small fruits that go up into Alberta or Saskatchewan or the western Provinces of Canada would be affected.

Mr. HUGHES. As far as exports are concerned?

Mr. SMOOT. No; as far as the return of boxes is concerned.

Mr. HUGHES. I wanted to get the Senator's idea.

Mr. SMOOT. The way the provision is in the bill now, they will have to pay one-half the duty, but in the past they have always been allowed to come into this country free.

Mr. JOHNSON of Maine. Will the Senator from Utah yield to me for a minute?

Mr. SMOOT. Yes.

Mr. JOHNSON of Maine. Does the Senator understand that the completed box is not what is exported from this country, but the staves, thin boards, and so forth, which go to make the box are sent to Sicily? The preparation of those is quite a large industry in the United States.

Mr. SMOOT. No, Mr. President; that is not what this refers to.

Mr. JOHNSON of Maine. Oh, yes.

Mr. SMOOT. This refers to wherever there is an export of any fruit.

Mr. JOHNSON of Maine. Let me tell the Senator just why that amendment is offered. In the first place, there is quite a large industry in Maine which makes the material which goes into lemon boxes. The staves and thin boards are sent to Sicily and made into lemon boxes over there, and when those are returned they are to pay half the duty that the foreign-made box pays. It is a discrimination in favor of domestic-made boxes for packing lemons and oranges.

Mr. SMOOT. That is the discrimination I am speaking of. The present law discriminates only as to orange and lemon boxes, and as to all other fruit they would come in free.

Mr. JOHNSON of Maine. But I know of no other fruit. There are no fruits that are upon the free list in this bill. If a box is used for bringing in some other fruit than oranges and lemons, the committee could not see why it should not be treated just the same as an orange box or a lemon box.

Mr. HUGHES. Do I understand the Senator to mean now that certain boxes containing fruit are sent into Canada and that under the present law those empty boxes can be sent back into this country without the payment of a duty?

Mr. SMOOT. Yes. I refer the Senator to paragraph 500 of the present law, which says:

Articles the growth, produce, or manufacture of the United States, not including animals, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means; casks, barrels, carboys, bags, and other containers or coverings of American manufacture exported filled with American products, or exported empty and returned filled with foreign products, including shooks and staves when returned as barrels or boxes.

Under the present law they can be returned into this country free, but under the provision here they will have to pay one-half duty.

There is another point to which I wish to call the Senator's attention, and that is the inconsistency, as I see it, in the bill itself. If he will turn to the free list, paragraph 412, he will find that this is what it says:

Articles the growth, produce, or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means; steel boxes, casks, barrels, carboys, bags, and other containers or coverings of American manufacture exported filled with American products, or exported empty and returned filled with foreign products, including shooks and staves when returned as barrels or boxes.

I am simply calling the Senator's attention to what seems to me to be an inconsistency there, and I think it ought to be corrected.

Mr. HUGHES. Upon a hasty examination I am inclined to agree with the Senator. I suggest that we pass over the paragraph.

Mr. SMOOT. If we pass it over, that will be satisfactory to me.

Mr. JOHNSON of Maine. I think we have the same provision as appears in the existing law. I will be willing to let it go over and examine the provision carefully.

The VICE PRESIDENT. The Chair would like to understand what goes over.

Mr. JOHNSON of Maine. Paragraph 174; the whole paragraph.

The reading of the bill was continued.

The next amendment of the Committee on Finance was, on page 52, line 5, after the word "vegetable," to insert the words "or animal," so as to make the paragraph read:

176. Toothpicks of wood or other vegetable or animal substance, 25 per cent ad valorem; butchers' and packers' skewers of wood, 10 cents per thousand.

The amendment was agreed to.

Mr. JONES. I ask that the paragraph may go over, to be taken up in connection with paragraph 649 of the free list. I desire to move to transfer shingles and possibly some other articles to this paragraph, and I should like to take the two together. I have no objection to any of the provisions here in the paragraph.

Mr. SIMMONS. If the Senator has no objection to any provision in the paragraph, why should it go over?

Mr. JONES. I want to move to put certain articles now on the free list in the paragraph. That is the idea.

Mr. SIMMONS. I understand.

The reading of the bill was continued, as follows:

177. Porch and window blinds, curtains, shades, or screens any of the foregoing in chief value of bamboo, wood, straw, or compositions of wood, not specially provided for in this section, 20 per cent ad valorem; if stained, dyed, painted, printed, polished, grained, or creosoted, and baskets in chief value of like material, 25 per cent ad valorem.

Mr. SMOOT. I ask the Senator from Maine if that paragraph would not be very much more comprehensive by striking out the words "porch and window"? It seems to me the paragraph is ambiguous. Do the words "porch and window" refer to blinds, curtains, shades, and screens, or do they simply refer to blinds? The way I read it they refer to curtains,

shades, and screens. If so, it would be inconsistent. It seems to me that if you would simply say "blinds, curtains, shades, or screens any of the foregoing in chief value of bamboo, wood," and so forth, there would not be any question about it.

Mr. JOHNSON of Maine. We followed simply the language of the existing law.

Mr. SMOOT. That may be true.

Mr. JOHNSON of Maine. That is exactly the language of the existing law, and we have had no difficulty brought to our attention in the administration of the paragraph.

Mr. BRANDEGEE. Let me suggest to the Senator from Utah that I think the reason why the ambiguity appears here is because the existing law has not been followed, but the word "baskets" as it appears in the existing law has been dropped, which brings the words "window blinds and curtains" together, whereas the existing law says "window blinds, baskets, curtains."

Mr. SMOOT. That is what I was going to call to the attention of the Senator from Maine. If he will turn to the existing law, paragraph 214, he will find that it reads:

Porch and window blinds, baskets, curtains, shades—

and so forth. But the bill as reported drops the word "baskets"; and then, of course, it applies to porch and window blinds and porch and window curtains and porch and window shades.

Mr. HUGHES. Of course, the Senator sees that in the whole of those items the subject of chief value is bamboo?

Mr. SMOOT. Yes; but there are a good many shades and a good many curtains made of bamboo that are not porch and window curtains or shades. I believe that if the paragraph is left as it is there will be a great deal of misunderstanding about it. There will be suits instituted, and it will be a long time before it can be finally decided.

Mr. HUGHES. Of course, the Senator's objection can be eliminated by placing a semicolon in lieu of the comma, in any event; could it not?

Mr. SMOOT. But it seems to me that by striking out the words "porch and window" there could not be any question about it.

Mr. HUGHES. Very well; I will move to strike out the words "porch and window," so that it will read:

Blinds, curtains, shades, or screens—

and so forth, following the rest of the language.

Mr. SMOOT. That will be all right.

The VICE PRESIDENT. Is there objection to the amendment proposed by the committee to strike out the words "porch and window"? The Chair hears none, and the amendment is agreed to.

Mr. GALLINGER. Mr. President, I can not refrain from expressing my deep gratification that an amendment has been made to the bill without its having been considered in a Democratic caucus.

Mr. HUGHES. I will say to the Senator that he will not have any difficulty in getting proper amendments made at any time.

The reading of the bill was continued to line 22, on page 52, the last two lines read being as follows:

Schedule E—Sugar, molasses, and manufactures of.

Mr. GALLINGER. I apprehend the Senator from North Carolina will not think it wise to enter upon the consideration of the sugar schedule this afternoon.

Mr. SIMMONS. I would not. Senators who desire to be heard upon that schedule are not in the Chamber, and I would be willing to lay the bill aside now.

Mr. THORNTON. I thought the metal schedule came before the sugar schedule. Am I mistaken about that?

Mr. SIMMONS. The metal schedule will be taken up on Monday.

Mr. THORNTON. That is ahead of the sugar schedule?

Mr. SIMMONS. It is.

Mr. THORNTON. That is why I did not understand the talk about taking up the sugar schedule now.

Mr. SIMMONS. We agreed to lay the metal schedule aside for to-day, and if we had proceeded with the next in order it would have been the sugar schedule.

Mr. THORNTON. I understand it now.

### PANAMA-PACIFIC INTERNATIONAL EXPOSITION.

Mr. SIMMONS. I ask unanimous consent for the present consideration of Senate bill 2433. It is a bill to permit certain foreign Governments to bring in material to be used in connection with their exhibits at the Panama Exposition free of duty. There seems to be some urgency about the passage of the bill, and I trust that I may have unanimous consent for its consideration this afternoon.

Mr. SMOOT. Did the Senator ask to lay the tariff bill temporarily aside?

Mr. SIMMONS. I stated a little while ago that I was willing to have it laid aside for the day.

The VICE PRESIDENT. Is there objection to the consideration of the bill indicated by the Senator from North Carolina?

Mr. GALLINGER. I understand this is a new departure. I think that such articles have never heretofore been admitted free of duty; but I think there is a good deal of reason why they should be admitted free of duty. So I certainly will not object to the consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2433) providing for the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition, and for the protection of foreign exhibitors.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

### JOHN RUSSELL.

Mr. JONES. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 1243) directing the issuance of patent to John Russell. It is a short bill of local character reported by the Committee on Public Lands.

The VICE PRESIDENT. The Senator from Washington asks unanimous consent for the present consideration of the bill named by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It directs that a patent under the homestead laws be issued to John Russell for the land occupied by him situated approximately in sections 4 and 5 of township 13 north, range 13 east, of the Willamette meridian, in the Mount Rainier Forest Reserve, State of Washington, notwithstanding any withdrawal heretofore made affecting the same, upon his submitting satisfactory proof of the agricultural character of the lands and his compliance with the homestead laws applicable thereto; but patent shall not issue until the lands have been surveyed by metes and bounds under the direction of the surveyor general for the State of Washington.

Mr. WALSH. Mr. President, that is a most extraordinary bill, and I should like to hear more about it from the Senator from Washington.

Mr. JONES. Mr. President, the situation is this: This man settled on the lands mentioned in 1884. Of course, the lands were unsurveyed. He has lived there continuously ever since, and raised a family. After the act of 1906 was passed, he applied for the listing of his land as agricultural land in a forest reserve, but it was thought that possibly the land might at some future time be necessary for a reservoir site in connection with an irrigation project. So the lands were withdrawn under the reclamation act. He is living there yet and has earned his homestead over and over again; has made improvements worth five or six thousand dollars; and has the land actually under cultivation. The committee considered all the facts which were presented, and thought it was wholly unjust that the man should be denied a patent, which, as I have said, he has earned many times over.

Mr. WALSH. By what committee has the bill been considered?

Mr. JONES. By the Committee on Public Lands.

Mr. WALSH. Is it a unanimous report?

Mr. JONES. I understand so.

Mr. SMOOT. I should like to ask the Senator if the reclamation project was abandoned?

Mr. JONES. No; the project has not been abandoned, and it is said that at some time the lands may be necessary in connection with the Yakima project, for storage purposes. When they will be necessary or when they will be used, if ever, can not now be told, but whether they be used or not, this man has earned his homestead over and over again, so far as settlement and compliance with the law are concerned.

Mr. WALSH. I should like to inquire further, Was any recommendation submitted from the Department of the Interior in regard to the bill?

Mr. JONES. The bill was submitted to the department, and the department said that by reason of the withdrawal of the land and the possible necessity for its use, it would not recommend the passage of the bill, but notwithstanding that letter from the department, the committee considered the matter very carefully, and they thought that this man was entitled to a patent to the land.

Mr. CHAMBERLAIN. Mr. President, if the Senator from Montana will permit me to interrupt him, I believe that it was practically the unanimous opinion of the committee that this bill ought to pass. It is one of those peculiar cases where a

man had been in actual possession, living on the place; had made valuable improvements; and not only that, but had raised a large family on this very land. We thought there was no question but that his right ought to precede any right that the Government or anybody else had.

Mr. WALSH. I have no objection at all.

Mr. JONES. Mr. Russell has been there since 1884.

Mr. VARDAMAN. How many acres are there in the tract?

Mr. JONES. There are 160 acres—a homestead tract.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL CLERK TO THE COMMITTEE ON POST OFFICES AND POST ROADS.

Mr. BANKHEAD. Mr. President, yesterday the Senate passed a resolution (S. Res. 133) authorizing the Committee on Post Offices and Post Roads to employ an additional clerk at a salary of $1,800. It appears that the resolution does not quite conform to the law on the subject, and the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate [Mr. WILLIAMS] has prepared a substitute for the resolution. I see he has now come into the Chamber. He asked me to present it in his absence. It is exactly the same resolution, but the language has been slightly changed. It has the same effect. I move that the vote whereby the resolution was agreed to yesterday be reconsidered and that the resolution be indefinitely postponed.

The motion was agreed to.

Mr. WILLIAMS. I now report from the Committee to Audit and Control the Contingent Expenses of the Senate a resolution (S. Res. 149) as a substitute for the resolution which has been reconsidered and indefinitely postponed.

Mr. BANKHEAD. I ask unanimous consent for the present consideration of the resolution just reported.

There being no objection, the resolution was considered by unanimous consent and agreed to, as follows:

*Resolved*, That the Committee on Post Offices and Post Roads be, and it is hereby, authorized to employ an assistant clerk, at a salary of $1,800 per annum, to be paid from the contingent fund of the Senate until otherwise authorized by law, to serve in lieu of an assistant clerk now authorized by law at an annual salary of $1,440.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 32 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 2 minutes p. m.) the Senate adjourned until Monday, August 4, 1913, at 12 o'clock meridian.

## NOMINATIONS.

*Executive nominations received by the Senate August 2, 1913.*

PROMOTION IN THE REVENUE-CUTTER SERVICE.

Third Lieut. of Engineers Francis Ellery Fitch to be second lieutenant of engineers in the Revenue-Cutter Service of the United States, to rank as such from April 23, 1913, in place of Second Lieut. of Engineers William Lindsay Maxwell, promoted.

REGISTER OF THE TREASURY.

Gabe E. Parker, of Oklahoma, to be Register of the Treasury, in place of James C. Napier, resigned.

SECRETARY OF LEGATION.

Henry F. Tennant, of New York, now second secretary of the embassy at Mexico, to be secretary of the legation of the United States of America at Caracas, Venezuela, vice Jefferson Caffery.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate August 2, 1913.*

SECRETARY OF LEGATION.

Henry F. Tennant to be secretary of the legation at Caracas, Venezuela.

PROMOTIONS IN THE PUBLIC HEALTH SERVICE.

Asst. Surg. Charles M. Fauntleroy to be passed assistant surgeon.

Asst. Surg. Herman E. Hasseltine to be passed assistant surgeon.

Asst. Surg. Lawrence Kolb to be passed assistant surgeon.

Asst. Surg. James P. Leake to be passed assistant surgeon.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. Commander Simon P. Fullinwider to be a commander.

The following-named lieutenants to be lieutenant commanders:

William Norris.

Adolphus Andrews.

The following-named lieutenants (junior grade) to be lieutenants:

William B. Howe.

Robert V. Lowe.

Claude B. Mayo.

The following-named ensigns to be lieutenants (junior grade):

Robert A. Burg.

Jules James.

The following-named citizens to be assistant surgeons in the Medical Reserve Corps:

Charles E. Treibly.

Percy F. McMurdo.

Thomas A. Fortesque.

James L. Manion.

John D. Lane.

Thomas B. Holloway.

Louis Lehrfeld.

First Lieut. Lauren S. Willis to be a captain in the Marine Corps.

Capt. Henry T. Mayo to be a rear admiral.

Commander Henry F. Bryan to be a captain.

The following-named ensigns to be lieutenants (junior grade):

Alexander M. Charlton.

Archer M. R. Allen.

Paul E. Speicher.

Andrew D. Denney.

James C. Van de Carr.

Maurice R. Pierce.

William R. Purnell.

James D. Smith.

Guy C. Barnes.

POSTMASTERS.

ALABAMA.

C. E. Brooks, Fort Deposit.

Clifford T. Harris, Columbia.

W. G. Porter, Heflin.

ILLINOIS.

Clifford W. Brewer, Knoxville.

L. F. Meek, Peoria.

IOWA.

Henry Africa, Kanawha.

William A. Cooper, Bayard.

Otho C. McShane, Springville.

Charles Loyd Paul, Ireton.

John S. Sloan, Williams.

I. G. Winter, Sioux Center.

KENTUCKY.

J. D. McCoy, Greenup.

H. H. Poage, Brooksville.

MICHIGAN.

Joseph Fremont, Bad Axe.

OHIO.

P. W. Guilday, Milford.

James Sharp, Nelsonville.

F. C. Thomas, Malta.

Robert T. Whitmer, Thornville.

PENNSYLVANIA.

Charles M. Harder, Catawissa.

W. B. Reisinger, Wrightsville.

SOUTH CAROLINA.

W. A. Hill, Newberry.

## WITHDRAWAL.

*Executive nomination withdrawn from the Senate August 2, 1913.*

REGISTER OF THE TREASURY.

Adam E. Patterson, of Oklahoma, to be Register of the Treasury, in place of James C. Napier, resigned, Mr. Patterson having declined the appointment.